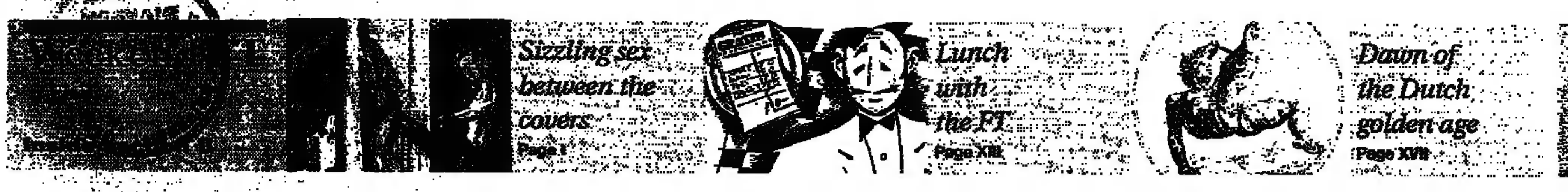

Clinton in Europe

Persuading sceptics at home and abroad

Jurek Martin, Page 8

FINANCIAL TIMES

Europe's Business Newspaper — WEEKEND JANUARY 8/JANUARY 9 1994

Ulster peace talks close to stalemate as UK stands firm

The Northern Ireland peace process was heading towards stalemate after Sir Patrick Mayhew (left) underlined the UK government's determination not to respond to Sinn Féin's demands for clarification of the Downing Street Declaration. The Northern Ireland secretary's comments coincided with the strongest hint yet by Sinn Féin president Gerry Adams that the IRA would not renounce its 25-year armed struggle without such clarification. Page 26; Unionist leader tests grass-roots backing, Page 6

Viacom, the cable TV company, and Blockbuster Entertainment, the video rental group, saw their shares fall sharply as reports swept Wall Street that the two might announce a merger. Such a deal would strengthen Viacom's hand in its battle for Paramount. Page 26; World stocks, Page 20

Bias fading against Japanese cars: Corporate barriers to the purchase of Japanese cars are tumbling throughout Europe, according to a survey. Page 26; UK car industry celebrates 11% sales rise, Page 7

Inkatha spurns elections: South Africa's Zulu-based Inkatha Freedom party said it would not participate in the country's first all-race elections in April.

Japan's rates at six-year low: Japanese long-term interest rates fell to a six-year low due to pessimism over the economy and speculation of an imminent discount rate cut. Page 3

Bosnian appeal to UN: Bosnia's Moslem president has appealed to the UN Security Council to halt a rebel Serb assault on Sarajevo after eight people died and at least 61 were wounded in the heaviest fighting for months in the capital. Belgrade's army fights in Bosnia, Page 2

Life assurance delay: Life assurance customers are unlikely to get better information from all sales agents until the start of next year. Page 7

Authority acts over foetal egg row: The Human Fertilisation and Embryology Authority said its members had overcome their initial distaste over using eggs from aborted foetuses to treat infertility. Page 7

Release of PLO prisoners starts: Israel began releasing 101 Palestinian prisoners as a goodwill gesture ahead of the resumption of peace talks with the PLO, Israeli security sources said. PLO and Jordan in monetary accord, Page 3

Warning for steel industry: The west European steel industry may have to cut more than 33,000 jobs in 1994, the European Commission warned. Page 2

Shorts to shed 400 jobs: Shorts, the Belfast-based aerospace firm said it was planning to shed up to 429 jobs. Page 4

Kidnap father jailed: British businessman Peter Malkin, 54, was jailed for 18 months for kidnapping his 12-year-old son from his ex-wife's home in France two months ago. Family Division President Sir Stephen Brown at the High Court said Mr Malkin was guilty of "gross, calculated and deliberate defiance" of a court order.

Storms lash western Europe: Blizzards, high winds and torrential rain lashed western Europe, killing several people, wreaking havoc on the roads and seas and forcing dozens of people to flee their homes. 133 flood warnings issued in southern England, Page 6; Weather, Page 26

Changes to share price listings

Shares listed in the FT are now arranged according to a revised list of industry sectors. Some securities have changed categories and some sectors have been merged, split, or given new names. A full alphabetical listing of stocks from these pages, together with the new sectors in which they can be found, is contained in this issue. The new sectors are those drawn up by the FT-SE Actuaries Classification Committee for the All-Share Index. End-1993 valuations for the index sectors are shown in this edition, under the old classification and the new. Details, Weekend Page III

■ STOCK MARKET INDICES		
FT-SE 100:	3446.8	(+43.0)
Yield	3.41	
FT-SE Eurotrack 100	1485.12	(+3.83)
FT-SE-A All-Share	1705.38	(+1.3%)
Nikkei	18,124.01	(+242.02)
New York lunchtime		
Dow Jones Ind Ave	3889.51	(+5.63)
S&P Composite	468.49	(+1.28)
■ US LUNCHTIME RATES		
Federal Funds:	3%	
3-mo Treas Bills: Yld	3.065%	
Long Bond	99$\frac{3}{32}$	
Yield	6.252%	
■ LONDON MONEY		
3-mo Interbank	5$\frac{7}{32}$%	(Same)
Life long gilt future:	Mar 119$\frac{1}{4}$	(Mar 118$\frac{5}{32}$)
■ NORTH SEA OIL (Argus)		
Brent 15-day (Feb)	$14.34	(14.5)
■ Gold		
New York Comex (Feb)	$387.2	(391.1)
London	$386.75	(383.75)

■ STERLING		
New York lunchtime:		
$	1.4935	
London:		
$	1.4905	(1.488)
DM	2.5834	(2.5886)
FFr	8.791	(8.7919)
SFr	2.1918	(2.1941)
Y	166.575	(167.482)
£ Index	82.3	(82.2)
■ DOLLAR		
New York lunchtime:		
DM	1.72895	
FFr	5.8765	
SFr	1.4655	
Y	111.65	
London:		
DM	1.7333	(1.7397)
FFr	5.898	(5.9085)
SFr	1.4705	(1.4745)
Y	111.825	(112.555)
$ Index	67.4	(67.7)
Tokyo close Y 112.48		

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Secret payments by Lonrho alleged

Writ claims director got £555,000 for help against Fayeds

By Robert Peston and Roland Rudd

Lonrho is alleged to have paid £555,000 to the former finance director of House of Fraser, a man who supplied damaging information on the owners of Harrods to the Bank of England and a House of Commons select committee.

Details of the alleged secret payments to Mr Graham Jones, which included £100,000 paid into a Liechtenstein bank account, are disclosed in a writ lodged in the high court yesterday by House of Fraser, which is owned by the Egyptian Fayed brothers.

The Lonrho memo authorising the £100,000 payment to Mr Jones said it was for "his assistance with House of Fraser matters".

House of Fraser is suing Mr Jones for breach of confidence. The writ says that in 1990 Mr Jones supplied financial information to Lonrho which helped the conglomerate in its propaganda war against House of Fraser.

Mr Tiny Rowland, Lonrho's joint chief executive, had been fighting the Fayeds since 1985, when they bought House of Fraser for £615m. He had always wanted to own the store group and believed that the Fayeds had won it by deception.

Last October he made peace with the Fayeds and is understood to have given them documents allowing them to launch their case against Mr Jones.

"I will not make any comment at all," said Mr Jones, who resigned in November as chief financial officer of Qantas, the Australian airline, when asked yesterday about the payments.

The writ says that between April 1990 and June 26 1991, he received £555,418.07 from the Lonrho group. He had left House of Fraser in January 1990 with a compensation package the company described as substantial.

It also says that in June 1990, Mr Jones supplied information to a Bank of England manager, Mr Peter Filmer, that the Fayeds were not fit to own Harrods Bank, a small banking subsidiary of House of Fraser.

In April, Mr Jones had written to the Bank governor, at that time Mr Robin Leigh-Pemberton, now Lord Kingsdown, claiming that Mr Mohamed Fayed had wanted to circumvent regulations preventing the bank receiving a £100m deposit from the Sultan of Brunei.

The Bank was unaware that Lonrho was paying Mr Jones. In June 1991, it forced the Fayeds to surrender management control of Harrods Bank to an independent trustee, though the Fayeds retained control of non-voting shares in it.

However, it is understood that the Bank took this action mainly as a result of an investigation into the House of Fraser takeover by Department of Trade and Industry inspectors, which said that the Fayeds had dishonestly misrepresented their origins, wealth and business interests.

Mr Jones is also alleged to have informed the House of Commons Trade and Industry Committee, which was examining House of Fraser's ownership of Harrods Bank, that its banking facilities would be withdrawn in the following 18 months.

A member of that committee said yesterday that even if the committee had known Lonrho was paying Mr Jones, the committee would not have changed its view that the Fayeds should give up control of Harrods bank.

The writ says Mr Jones tried to persuade House of Fraser's banks to withdraw their loan facilities. Mr Ernie Cole, who was then a senior executive of Midland Bank, which was House of Fraser's lead bank, said yesterday he had several conversations with Mr Jones and was "not pleased" to be told of the alleged payments to him by Lonrho.

Mr Rowland yesterday referred all questions on his relationship with Mr Jones to the Fayeds.

Fayeds enjoy the truce, Page 4

Reformers set for opposition role in Russia

By John Lloyd in Moscow

Russia's leading reformers believe they are unlikely to survive as members of the country's next government in the face of a surge in power of conservative forces.

Pro-market parties did badly in the parliamentary elections last month at the hands of nationalist and communist groups, which are now set to dominate the new parliament.

The reformers have told aides they are now preparing for an opposition role, and that the tide is flowing strongly in favour of a return to state-controlled, interventionist policies aimed at supporting industries and preserving employment.

Western advisers, who had been assisting reformers preparing an economic plan for a new government, are now pessimistic about the chances of a reformist government being appointed.

Professor Jeffrey Sachs, the Harvard University economist who advises Russian ministers, said last night that "it looks as if it's pretty far down the road towards the end for the reformers. The return of the old guard is not inevitable still, but it now seems the most likely outcome".

Mr Yegor Gaidar, first deputy prime minister and the reformists' leader, said that a "close coalition" of communists and nationalists had been formed which was "imposing conditions" on the choice of leaders of the new parliament, which meets for the first time next Tuesday.

He said the party he leads, Russia's Choice, would take no further part in talks on the appointment of a parliamentary speaker.

At the same time, a range of decisions taken by President Boris Yeltsin and by Mr Viktor Chernomyrdin, the prime minister, point to their acceptance of the need for a centrist economic course in which industries – including military plants – will be heavily subsidised and a strong push made to form a tight economic union with former Soviet republics under Russia's leadership. Reformers say such a course would destroy any hope of financial stabilisation because of these republics' needs for cheap credits and subsidised energy.

An agreement in principle reached this week between the prime ministers and central bank chairmen of Russia and Belarus

Continued on Page 26
Old ways die hard, Page 2

Bush fires reach Sydney suburbs

A resident of Sydney's northern suburbs hoses down his roof in an effort to hold back the flames as Australia's worst bush fires in a decade raged only 10km from the city centre.

Three people have died, and yesterday thousands were evacuated. Up to 70 houses were destroyed, some exploding in the intense heat. Unless weather patterns change, police estimate that at least 3,000 homes will be lost in New South Wales.

The fires, which stretch along 800km of the state's coastline, are being fought by more than 7,000 firefighters, helped by soldiers and sailors.

Sydney centre is not under threat, although the smell of burning eucalyptus trees and black smoke has reached the city, and power has been interrupted.

Picture: Reuters

New status of French bank 'will boost franc'

By David Buchan in Paris

The Bank of France's new independence in setting monetary policy would help to fight inflation and reinforce the "international credibility" of the franc, Mr Edouard Balladur, French prime minister, said yesterday.

Installing the central bank's new board and monetary policy committee, Mr Balladur told its members that they now had the "very heavy responsibility . . . of being the guardians of the nation's currency".

He promised to "scrupulously observe" the independence of the bank's nine-member monetary policy committee, who are forbidden by law to accept or solicit outside instructions in determining interest rates.

The new bank law, closely modelled on the Bundesbank statutes, gives the prime minister and the economy minister the right to attend – but not to vote at – monetary meetings. Mr Balladur said he would exercise this right "rarely, but, like the German chancellor with the Bundesbank, I will do when it seems right".

He and Mr Edmond Alphandéry, the economy minister, attended the start of the first

Continued on Page 26
Trichet interview, Page 2

Ladbroke shares rise as Stein bows out early

By David Blackwell

Mr Cyril Stein is bowing out early from Ladbroke Group, the hotels and leisure company he built from a small bookmaker into a member of the FT-SE 100.

Mr Stein, 66 next month, announced in September that he would step down as chairman at the end of 1993 after 37 years at the head of Ladbroke. He planned to stay as a non-executive director for a further three years and to head the property division, but yesterday Ladbroke said he had decided to resign.

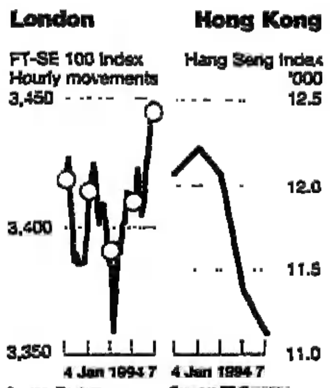
The company's shares put on 14p on the news, closing at 194p, on the expectation that Mr Stein's departure would allow new management to impose its own style. The City had feared that a formidable personality like Mr Stein would find it impossible to take a back seat.

But there was sadness that, as one analyst said, "the departure of a chairman who has done great things for the company should be greeted by a

Continued on Page 26
London shares, Page 15
Lex, Page 26

European markets up as rate fears ease

By Terry Byland and Michael Morgan



Stock markets in Europe advanced yesterday after significantly improved employment statistics from the US eased fears of upward pressures on global interest rates.

In London, renewed buying of UK stocks from across the Atlantic drove the FT-SE 100 index ahead by 43 points to 3,446, and the FT-SE Mid 250, covering a broader range of shares, rose 63.5 to an all-time high of 3,912.5.

As in the hectic trading during the run-up to Christmas, it was US buying of London stock index futures which ignited the share market. However, prices were often forced higher yesterday because the unwillingness of investors to sell shares has left marketmakers very short of stock.

British government bonds were also sharply higher, gaining more than ¾ of a point as interest rate fears subsided.

However, south-east Asian markets tumbled for a second day as Kleinwort Benson, the British securities house, added its voice to those downgrading their view of Pacific Rim markets.

Earlier in the week, Japan's Nomura cut its weightings on Hong Kong, Kuala Lumpur and Manila, preferring Tokyo instead. Morgan Stanley took the view that equity markets had reached unsustainably optimistic levels and recommended a shift from shares to cash.

Bangkok saw yesterday's biggest fall, plunging 5.5 per cent, while Kuala Lumpur fell 4.6 per cent. Manila fell 4.1 per cent and Taiwan 3.9 per cent. Hong Kong declined another 3.3 per cent in record turnover.

London shares, Page 15; World stocks, Page 21; Lex, Page 26; Markets, Weekend, Page II

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Austria Sch32; Bahrain Din1.250; Bermuda $1.40; Belgium BFr65; China Rmb 14.0; Canada C$1.40; Cyprus C£1.10; Czech Rep CZK50; Denmark DKr18.00; Egypt E£5.00; Finland Fmk14; France FFr9.00; Germany DM3.50; Greece Dr350; Hong Kong HK$18; Hungary Ft180; Iceland; India; Indonesia; Israel; Italy L3000; Japan Y500; Jordan JD1.50; Korea Won 3000; Kuwait Fils.625; Lebanon $US1.50; Luxembourg LFr65; Malaysia Rm4.80; Malta Lm0.60; Morocco Dh15.00; Nigeria; Netherlands; Norway; Oman; Pakistan Rs40; Philippines Peso 50; Poland Zl 32,000; Portugal Esc225; Qatar QR13.00; S.Arabia Rls11.00; Singapore S$4.30; Slovak Rep KSL50; South Africa R12.00; Spain Pta225; Sri Lanka; Sweden; Switzerland; Taiwan; Thailand Bht60; Tunisia Din1.500; Turkey L10000; UAE Dh12.00; USA $1.25 (Alaska & Hawaii $1.75)

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Yeltsin seems less concerned about the dangers of stoking up inflation, writes **John Lloyd**

Reform politicians lose spirit as old ways die hard in Russia

Russia's pro-market reformers are under siege and economic change, already a battered concept, is again in doubt.

Since last month's election, which saw a surge by ultra-nationalist, communist and communist-inclined parties, the small band of economic radicals around first deputy premier Yegor Gaidar have been fighting to win over President Boris Yeltsin.

They have been trying to convince him of one thing: that the parliamentary election results should not mean a change of economic course.

To drop reforms before they have been properly tried or even introduced, they argue, would mean to lose everything.

But they now fear it has not worked. They are privately preparing for an exit from the political stage.

Nothing is yet definite and Mr Yeltsin has in the past surprised everyone with his ability to buck trends and back reform. But they believe the immediate future is bleak.

There is ample evidence. Mr Yeltsin, in his pronouncements since the election, has been unclear what he wants. Now he says reform will continue, now he counsels caution.

More importantly, he has made decisions that point to a conviction that production must be supported, even if this drives inflation up again. In December inflation was down to around 10 per cent a month, an all-year low.

Mr Yeltsin has seen a number of big industrialists and they have all demanded cash. Many, including the giant agricultural equipment maker, Rostelmash, have got it, as has Russia's car industry. The GAZ car plant, whose workers are all temporarily laid off this month, will introduce a new luxury model, the GAZ 3105, within two years.

The cash-strapped defence industry has also got some relief. The MiG plant, which has long made Soviet fighters, has produced a prototype MiG110 passenger/cargo aircraft that will go into production in 1998. A new bomber from the Sukhoi plant, the SU-34, will replace the present SU-24 (produced to match the US F-111).

Mr Yeltsin has also signed a decree allowing $500m to be spent on a new parliament – a decision Mr Gaidar criticised, saying it had not come before the government and if it had he would have voted against it.

"All of these decisions point in one direction," said an economist working for the reformists yesterday. "It shows he no longer cares for the effect on inflation."

This is largely blamed on the growing power of advisers around him who are much more conservative than his chief of staff, Mr Sergei Filatov. Mr Filatov is linked to Mr Gaidar as both are members of Russia's Choice, the main liberal party.

The daily Sevodnya this week ran an apparently well founded report that Mr Filatov has lost a lot of ground after his failure to secure election victory for the reformers. According to the report, Mr Viktor Ilyushin, conservative head of the president's chancellery and an old comrade from Mr Yeltsin's days as Communist Party secretary in Sverdlovsk, now guards access to him and influences his choice of decrees.

At the same time, the appointment of ministers and creation of a new programme are the subject of the bitterest struggle behind the scenes.

Mr Viktor Chernomyrdin, the prime minister, has said that the government's size will be cut to just four deputy premiers (the inner cabinet) and 30 ministers.

But the decree that would appoint Mr Gaidar as one of two first deputy premiers, with Mr Oleg Soskovets as the other, has twice gone to Mr Yeltsin for signature and twice been blocked.

The fate of the other two main reformers – Anatoly Chubais and Boris Fyodorov – hangs in the balance. Both are said to be wary of taking part in the new government, especially if Mr Viktor Gerashchenko, head of the Central Bank, remains in his post.

Mr Gerashchenko, who has long advocated re-creating an economic union, appears to have scored a notable victory earlier this week. It came when the prime ministers and central bankers of Russia and Belarus signed an agreement in principle for an economic union.

The pact would give Belarus the right to use the Russian rouble and to determine the amount of cash and credits it would get. This would in effect make Minsk, the Belarus capital, a second centre for the emission of roubles and give its ailing industries a credit lifeline to the Russian central bank.

This type of agreement is likely to be extended to the Central Asian republic of Tajikistan.

It is seen by Russian conservatives as a model for preserving industrial and economic links, gravely damaged over the past two years. It is also seen as a model for extending the power of the Russian state, one of the main themes in the successful electoral campaigns of the nationalists and communists.

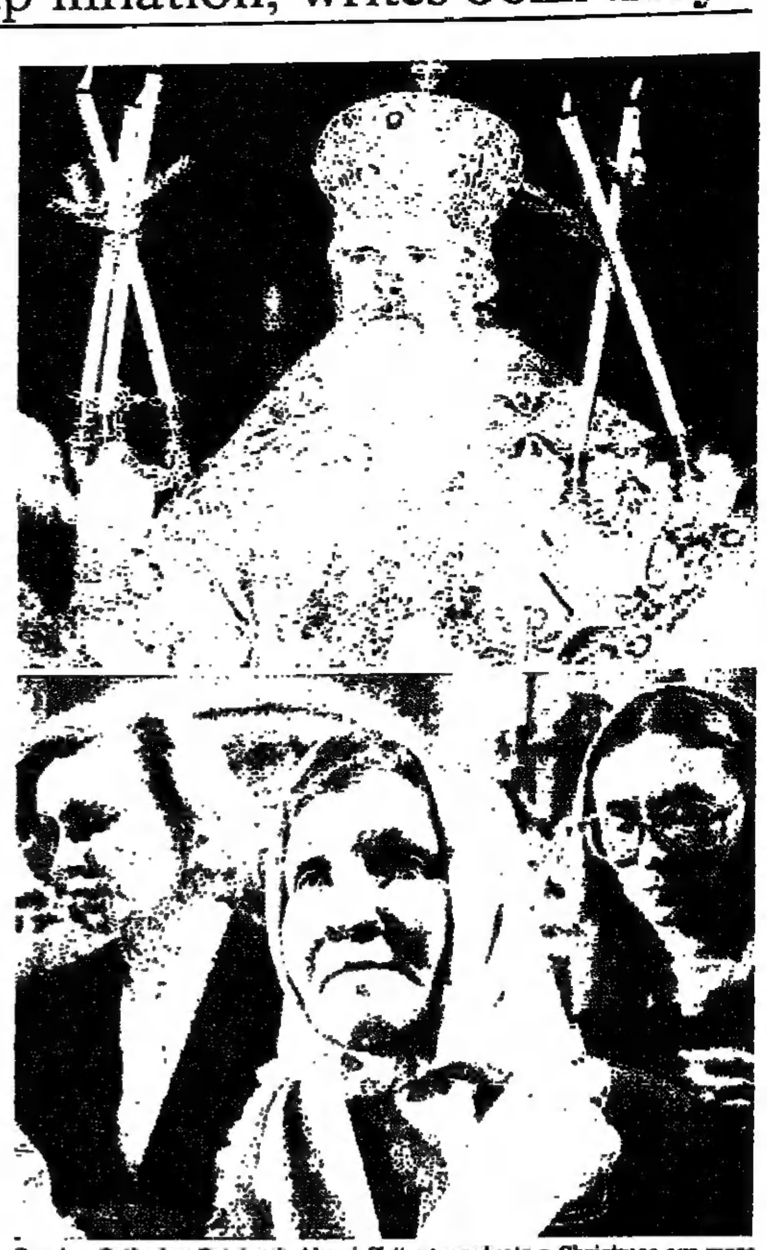
For the reformers, it is a return to the politics of hyperinflation. They thought they had stemmed hyperinflation last year when credits to other former Soviet republics were choked off and inflation fell as a result.

The new parliament is likely to be dominated by nationalist and communist forces and their allies.

The pro-market parties – Russia's Choice, the Yabloko group and the Party of Unity and Accord – have failed to agree with each other. Mr Gaidar said on Thursday that Russia's Choice had pulled out of talks aimed at agreeing on a Speaker for the lower house, or State Duma, because the nationalists and communists were now controlling the agenda in talks with Mr Chernomyrdin.

Russia this weekend celebrates the orthodox Christmas, and all official business is suspended. Next week sees the convention of the new parliament, and the visit to Moscow of President Bill Clinton.

It is still possible a reform course will again be taken. But the reformers say it is more likely that reform will fall victim to popular discontent, conservative pressure and their own inability to unite.



Russian Orthodox Patriarch Alexei II (top) conducts a Christmas eve mass at Bogoyevlensky cathedral. For these women worshippers this is only the third year Christmas has been openly celebrated in Moscow Reuter

Eastern Europe asks Nato for more

By Christopher Bobinski in Warsaw and Robert Mauthner in London

Four former Warsaw Pact countries yesterday reluctantly accepted a US-inspired Nato plan offering them closer links with the alliance, but demanded assurances that it would eventually lead to full membership.

The "Partnership for Peace" project, due to be endorsed by Nato leaders at a summit in Brussels next week, has disappointed the east European countries and Lithuania because it falls short of offering the explicit security guarantees which go with full membership.

A statement issued yesterday in Warsaw by the defence chiefs of Poland, Hungary, the Czech Republic and Slovakia made clear that the four countries, while accepting the Nato offer for the moment, were keeping up pressure for a firm alliance commitment to full membership in the future.

The four ministers, whose countries are collectively known as the Visegrad group, have sought membership of Nato for fear of being isolated while new threats were developing to their security from an increasingly unstable Russia, currently in the grip of resurgent nationalism.

Russia, however, has warned Nato not to give full membership to its four former allies, which would expand the alliance eastwards to Russia's own frontiers and infuriate the country's military leaders.

This warning has been taken on board by US President Bill Clinton and other western leaders, who are particularly anxious to avoid strengthening the position of extreme Russian nationalists like Mr Vladimir Zhirinovsky and undermining President Boris Yeltsin's reform programme.

In Washington, Mr Warren Christopher, the US secretary of state, went on record with a statement that the Nato plan should be open to all eastern European countries, without discrimination. "We welcome the anticipation of Russia's membership in Partnership for Peace," he said yesterday.

Germany, the strongest western advocate of east European membership of Nato, said it could go no further than it had already done to help the eastern European countries' ambitions. "What these countries want – to be sure that nobody can attack them without Nato intervening – is something they cannot get, at least not in the initial phase," Mr Klaus Kinkel, the German foreign minister said in Bonn.

David Buchan adds from Paris: France yesterday stepped up its campaign for Nato to endorse the European Union's peace plan for Bosnia and to act to enforce United Nations resolutions there.

In a letter to France's 15 Nato partners, Mr Alain Juppé, the foreign minister, asked the allies to back the peace plan, to reaffirm their commitment to sending more troops to enforce any peace settlement and to help enforce the UN-approved interim measure of creating safe havens for Moslem refugees.

France is effectively trying to mount a double-or-quits strategy. It is seeking to persuade the US to give military help to reopen the Tuzla airfield in northern Bosnia and to enable an armoured column of Danish peacekeepers to reach besieged Moslems in Srebrenica.

If the US and the rest of Nato do not respond at next week's Brussels summit, the French government has indicated that it might succumb to growing European sentiment and pull its troops out of former Yugoslavia altogether.

Axe hovers over 33,000 steel workers

By Andrew Hill in Brussels

The west European steel industry may have to cut more than 33,000 jobs in 1994, the European Commission warned yesterday. It said 1994 would be a particularly bad for job losses in the steel industry, which is being forced to restructure to cope with lack of demand and overcapacity.

According to the most recent figures submitted by the 12 EU member states, 337,500 people are employed in the EU steel industry – more than a third of them in Germany.

The Commission said in its "forward programme" for the steel industry, published yesterday, that job losses "might well reach or even exceed 10 per cent of the workforce" in 1994. It warned that the greatest impact would be felt in Germany, Italy and Spain, but all member states except Denmark and Ireland would be affected by job losses.

However, Brussels also sent a strong signal to EU steel producers that they must not shy away from promises to cut production as soon as possible.

"The fundamental restructuring announced by the [EU] steel industry is... still vital and the fact that there are no prospects of an improvement in the steel market means that urgent decisions have to be taken regarding a reduction in production capacity," the Commission warned.

The Commission forecasts that production of crude steel will slip from an estimated 128.9m tonnes in 1993, to 126.5m tonnes in 1994, with net actual consumption remaining unchanged at just over 116m tonnes.

Just before Christmas, EU industry ministers approved Ecu6.8bn of state subsidies for publicly owned steelmakers, in exchange for capacity cuts amounting to more than 5m tonnes. The Commission is now urging non-subsidised steel producers to carry out their side of the bargain, and cut production by a further 25m tonnes, to ease overcapacity. Private steelmakers have protested strongly about the compromise on subsidies and predicted dire consequences.

Commission officials said demand was unlikely to pick up in 1994. But they said EU rescue plans – including the deal on state aid and previously agreed programmes of financial support, and protection from cheap non-EU steel imports – would help ease steel producers' financial situation in the second half of 1994.

German economists call for interest rate cut

By Christopher Parkes in Frankfurt

Germany's respected Ifo economics institute yesterday added its voice to a growing chorus calling for the Bundesbank to help push the economy out of recession with lower interest rates.

But the bank appeared determined not to move until it had a clearer picture of inflationary prospects. Mr Hans Tietmeyer, Bundesbank president, said on Thursday night that monetary policy had been put on "hold" until policy-makers had more information.

"We will wait until we can see how things develop," he said after a routine council meeting at which the short-term discount and lombard rates were left unchanged at 5.75 per cent and 6.75 per cent respectively.

The Munich-based Ifo recommended a reduction in money market rates to about 3 or 4 per cent by the end of this year. Experience showed that reduced short-term rates did not result in higher long-term rates.

As Mr Tietmeyer stressed at his Thursday meeting with journalists, more than two-thirds of all private investment in Germany is financed with long-term borrowings. The central bank traditionally focuses most of its attention on this end of the money market.

The call from Ifo followed earlier accusations from the DIW institute in Berlin that the Bundesbank's go-slow policy was prolonging the recession. The discount and lombard rates were last cut on October 22.

More information on inflationary trends – notably the latest consumer price figures and end-of-year money supply figures – will be available for consideration at the bank's next council meeting on January 20.

The bank yesterday confirmed earlier estimates which showed the M3 measure of money supply growing at an annualised rate of 7.2 per cent in November, well above the upper limit of last year's target range of 4.5 to 6.5 per cent. Inflation is also expected to be pushed up this month by new duties on fuel and higher charges for services.

The bank, which last month tightened its M3 target range to 4 to 6 per cent, has already warned that it expects money supply figures early this year to be distorted by a "monetary over-hang" from last year.

Trichet outlines vision of 'open and democratic' independent central bank

David Buchan and John Ridding meet the Bank of France governor

An old institution was reborn yesterday: 194 years after being created by Napoleon to help him wage war on Britain, the Bank of France has been made independent, the better to wage war on inflation and to protect the franc from the vagaries of political interference.

Yesterday saw the formal installation by Prime Minister Edouard Balladur of the central bank's Monetary Policy Committee, whose nine members are forbidden by law from "accepting or soliciting" outside instruction in the determination of French interest rates.

But how will the team operate under the 1993 law which, for all its extensive borrowing from the Maastricht treaty and the statutes and experience of independent central banks in Germany and the US, creates a distinctive Gallic model?

In his first press interview following this week's nomination of the MPC, Mr Jean-Claude Trichet, governor of the Bank of France, spelt out some of the guiding principles in the committee's composition and future operation.

In addition to Mr Trichet and his two deputy governors – Mr Denis Ferman and Mr Hervé Hannoun – six outsiders have been chosen by the Balladur government and President Mitterrand to sit on the committee from a shortlist of 18 names proposed by the presidents of the National Assembly, the Senate and the Economic and Social Committee.

Roping so many institutions and leaders into the nomination process ensures the MPC's composition is "the least contested possible," says Mr Trichet.

Paradoxically, too, he says centralised France may have actually produced a more diverse body to steer its monetary policy than in federal Germany or the US where regional central bankers make up much of the Bundesbank and Federal Reserve boards.

The six outsiders come from finance, insurance, industry, academe, journalism and politics. "With such outstanding personalities, I wonder if one does not have more diversity than in a federal system, whose regional banks are inevitably filled by people with the same career and professional experience."

Precisely because the outsiders are so diverse, much may fall on the shoulders of Mr Trichet and his two deputies, certainly at the outset, though the governor stresses the new "collegiality of decision-making". The Bank of France has not yet set its monetary targets for 1994 but is likely to have to do so by the end of the month.

These targets will probably be announced at a press conference, which the hitherto secretive Old Lady of the Rue de la Vrillière has rarely indulged in. "In a democracy, I believe that an independent institution should both listen and explain itself," says Mr Trichet.

Referring to the bank's democratic accountability as absolutely central, Mr Trichet sees two important bridges between the central bank and the executive, and the legislature. In the first case, the government has access to the MPC – the prime minister or the economy minister can attend meetings but they have no vote, as in Germany.

"The experience in Germany is that this is a good thing, it allows communication between government and central bank while the law is unambiguous in protecting the latter's independence."

Of considerable importance – not least to the French parliament's desire to increase its feeble powers under the Fifth Republic – is the Bank of France's new answerability to deputies. Mr Trichet must now report at least once a year to the National Assembly and the Senate, which can also summon him to appear before them more often. "The bank governor can also ask to be heard by these bodies – it is a symmetrical arrangement, which could be useful... I think it is a duty for the governor to be as active as possible in his relations with the parliament and its finance committees," says Mr Trichet.

The outcome could be a mixture between the practice of the Fed chairman making set-piece appearances before Congress and the Bundesbank's tendency to rely more on press conferences. One practice of the Fed's open market committee that Mr Trichet seems loath to adopt is delayed publication of the minutes and votes of past committee meetings. "I think that whatever the vigour of internal arguments and debate, the credit of our institution will depend very much on the unity it projects, once decisions are taken."

Mr Trichet does not appear to anticipate much internal argument over the price stability which the law sets as the MPC's overriding goal, but does not define precisely. Defining price stability is, he says, "more an art than a science... but I don't think anyone in the world would consider that a rate of 2 per cent inflation [the current rate in France] is abnormal from the point of stability".

He is keen to dispel the charge of being "a monetary Ayatollah" which some levelled at him last summer, when as director of the Trésor he fought to maintain the value of the franc against the D-Mark. He sees no contradiction between an rigorous anti-inflation policy and best possible borrowing terms on the markets.

"With all the financial markets interconnected, once you get outside the area of very short-term rates which can be controlled by a national monetary authority, your rates depend on a judgment by investors around the world. Your credibility and stability – if they are perceived as real by investors – give you an immediate advantage in the market. [Central bank] independence is a plus for this credibility and stability." Mr Trichet flourishes yield charts to show that, Japan apart, France has the lowest rates among the Group of Seven countries.

Cautioning against recent errors in forecasting European or world growth trends, Mr Trichet nonetheless concedes that France is locked into continental Europe's current sluggish cycle. But he argues that France is well poised for faster growth because of the country's trade surplus, the good cash flow of its larger companies and the net creditor position of its households.

Yet it seems most unlikely that the Bank of France will use its new independence to make a dash for growth – any more than it will make a dash for a partial monetary union in Europe.

The Bank of France may now resemble the Bundesbank. "But I refuse completely to engage in discussions of accelerating monetary union, a two-tier or a three-tier Europe... We have got to make Maastricht live and apply it scrupulously, and this I intend to do with Hans Tietmeyer (the Bundesbank president), with Eddie George (the Bank of England governor) and my nine other European central bank colleagues."

Trichet: more diversity than Fed or Bundesbank Terry Kirk

The Conseil des Bourses de Valeurs (CBV), the French stock market watchdog, has appointed Mr René Barbier de La Serre, chief executive of the Crédit Commercial de France (CCF) banking group, as its chairman, writes Alice Rawsthorn in Paris.

He will replace Mr Bruno de Maulde, who resigned last week to join the newly independent Bank of France's monetary policy council.

Mr de La Serre, 53, has spent most of his career in banking but has for some years been a member of the CBV.

● France yesterday announced it had chalked up another healthy trade surplus in October, confirming it is well on its way to a record surplus for 1993, Reuter adds.

Provisional customs office data showed a seasonally adjusted trade surplus in October of FFr3.7bn (£1bn) against a revised surplus of FFr9.91bn in September.

Belgrade's army fights in Bosnia

By Laura Silber in Pancevo

Regular Yugoslav troops are being deployed in Bosnia, United Nations officers on the ground confirmed yesterday.

In a week in which the international community has been criticised by senior UN officials for failing to stop the war in Bosnia, Norwegian Captain Jantora Strandas with the Nordic contingent, yesterday verified that Yugoslav army paratroopers are routinely engaged in hostilities in Bosnia.

His comments refute claims by Serb leaders that they have not supported Bosnian Serb forces, who control 70 per cent of the republic.

It also undermines demands this week by Belgrade for the lifting of sanctions, imposed 19 months ago over the violent partition of Bosnia.

Observers and local residents have confirmed the long-term presence of Yugoslav army paratroopers and vehicles in northern and eastern Bosnia. "Just stand in Zvornik (on the Bosnian-Serb frontier) and watch the Yugoslav army cross over," Capt Strandas said yesterday at the UN Pancevo base, near Belgrade.

His remarks follow a scathing denunciation of the UN by outgoing commander of UN Protection Forces in Bosnia, Belgian General Francis Briquemont, for a "fantastic gap" between resolutions and the political will to carry them out.

By way of illustration of the powerlessness of Unprofor against Serbian intransigence, Capt Strandas pointed to 11 German-made Leopard tanks. For three months, the tanks with their 105mm guns, have stood idle in an open shed, even though "they need exercise," he said.

Bosnian Serb leaders reneged on their pledge to allow the Leopards to cross frontlines to support UN troops in Tuzla, a government stronghold in north-eastern Bosnia, surrounded by Serb forces.

So, instead of a three-hour trip, the tanks will go on a three-day rail journey from Pancevo, through Hungary, Austria, and Italy, a sea voyage across the Adriatic to Croatia and then a drive through disputed territory in central Bosnia. What's more, the UN is being asked to pay $1m to Belgrade for their passage through Serbia.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 5964481, Telex 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International). Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 Copenhagen K. Telephone 33 13 44 41, Fax 33 93 53 35.

Benazir holds the cards in dynasty power game

Bhutto family feud leaves Pakistan party leadership and military unmoved, writes Farhan Bokhari

Nusrat Bhutto: angry at daughter

"This is not democracy, this is a police state. The day of celebrations has been turned into a day of mourning. What is the difference between the dictatorial regime of General Zia and this so-called democracy?"

These bitter words did not come from any ordinary opponent of Pakistan's prime minister, Ms Benazir Bhutto. The speaker was Mrs Nusrat Bhutto, her mother, after a week of family feuding triggered by the 66th birthday of the late Mr Zulfikar Ali Bhutto, respectively their father and husband.

"Benazir Bhutto is responsible for all these incidents. It is a shame on Benazir Bhutto," Mrs Bhutto said after police fired on a crowd of demonstrators on Wednesday, killing one and injuring seven.

The procession of several hundred people was attempting to march from the family estate at Larkana, in the southern province of Sind, to Mr Bhutto's grave on his birthday. Mr Bhutto was ousted as prime minister in 1977 and hanged in 1979 by the military regime of Gen Zia-ul-Haq on charges of ordering the assassination of a political foe.

His daughter, months after sweeping back to power in October's elections, is now locked in an extraordinary power struggle within her family, reminiscent of soap operas watched avidly by Pakistanis on satellite television.

Mrs Nusrat Bhutto, angry at being ousted from her position in the ruling party, is supporting her son, who is in jail on terrorism charges, against her daughter.

Mr Murtaza Bhutto, her son, faces charges of running an anti-government terrorism campaign during 16 years of self-imposed exile. He returned to Pakistan two months ago after winning election to the Sindh assembly from a seat in Larkana while still abroad. His mother supported him in the election.

After the election, Benazir Bhutto had her mother removed as co-chairperson of the ruling Pakistan People's party, leaving the prime minister herself in sole charge. Mrs Bhutto now wants her son to lead the party.

This week's eruption of the feud came after supporters of Mr Murtaza Bhutto refused to allow Ms Benazir Bhutto to visit her father's grave unless he was released on bail to preside over the birthday ceremonies.

The resulting confusion has seen armed police laying siege to "Al-Murtaza", ancestral home of the Bhuttos. Power supply to the house was cut and telephones disconnected. But at the same time, fireworks celebrating the late prime minister's birthday lit the sky and the music played on.

After the shooting, Mrs Nusrat Bhutto ordered her loyalists to cancel the ceremonies. Servants were told to cut a large cake and distribute it among the poor without fanfare. However, the prime minister's supporters continued to celebrate. She visited her father's grave amid tight security.

Mrs Nusrat Bhutto plans to demand a full parliamentary debate on Wednesday's events. Her daughter appears strong enough to keep her position, since there are few signs of any divide within the party leadership, and the powerful military and the bureaucracy do not want another change at the top after last year's political turmoil.

Nevertheless, the feud is embarrassing for the prime minister, who faces demands to remove from key positions party leaders who have been accused by Mrs Bhutto of being enemies of her late husband.

For many family members, Mr Murtaza Bhutto's return has provided him with the opportunity to claim leadership. His supporters are waiting for him to emerge from prison to exert his authority as the clan's *pugdaar* – the one entitled to wear the family's turban as a mark of leadership. However, the future of the charges against him remains unclear.

The family feud could come to a head again on April 4, the anniversary of the elder Mr Bhutto's execution. Once again, his grave could become the centre of his children's fight to lay claim to the family dynasty.

France criticised on terror suspects

By Ian Rodger in Zurich and David Buchan in Paris

Pressure is mounting on the French government to explain why it sent two Iranian murder suspects back to Iran last week, in the process breaking a formal agreement to extradite them to Switzerland.

The US state department said in a statement that it was "seeking clarification" from the French government. "The United States believes that the rule of law should be applied to terrorists," it said.

Earlier, Mr Arnold Koller, the Swiss justice minister, said in a newspaper interview that France's explanations for the move, which violated the European conventions on extradition and the repression of terrorism, had so far been "wholly inadequate".

In France too, criticism was growing. Mr Gerard Fuchs, a Socialist party leader, said the government had dishonoured France. "It is sad that France has to take lessons from Switzerland on how to fight terrorism," Mr Fuchs said.

Prime Minister Edouard Balladur merely reiterated to journalists at a new year meeting yesterday what his officials said when announcing the decision, that it was related to the national interest.

Mr Alain Juppé, foreign minister, claimed in a radio interview that France had not given in to pressure from Iran, and had nothing to learn from Switzerland when it came to fighting terrorism.

The two Iranians, Moshen Sharif Esfahani and Ahmed Taheri, were arrested in France in 1992 at the request of the Swiss authorities in connection with the murder of Kazem Radjavi, the brother of a Mujahadeen leader, in a Geneva suburb in April, 1990.

Following their release on December 29, the Swiss foreign ministry made an official diplomatic protest, but officials said there was nothing more they could do as they did not want to sour relations with France.

However, Mr Koller's remarks suggest a subsequent toughening of the Swiss position, possibly in response to suspicions among the Swiss public that Bern was reacting spinelessly. He said the matter would be taken up at the meeting of the federal council (cabinet) next Wednesday.

He rejected accusations that Switzerland, like France, was not unhappy with a quiet resolution of a matter that could have sparked off fresh terrorism in both countries.

"Switzerland has already shown that it is willing to assume risks in the realm of terrorism. We extradited Iranians to France on two occasions in the context of the assassination of Shapour Bakhtiar (the former Iranian prime minister)," he recalled.

Job gains indicate solid growth

By Michael Prowse

Official data showing a fall in the US jobless rate to 6.4 per cent last month from a revised 6.5 per cent in November indicated solid economic growth at the end of last year.

Many Wall Street analysts, however, interpreted accompanying figures for payroll employment as signalling a modest deceleration in the pace of economic recovery. Slower – but still healthy – growth would reduce the pressure for an early increase in short-term interest rates.

Non-farm employment rose 183,000 last month against analysts' projections of an increase of about 225,000. The increase in November was revised down slightly to 202,000. Roughly 2m new jobs were created during last year as a whole.

The mix of employment gains was less encouraging than in previous months. Private-sector employment rose 147,000 against 200,000 in November. Manufacturing employment rose 2,000 against 26,000. Construction employment fell slightly after a gain of 34,000 in November.

Yesterday's figures appeared consistent with White House projections of annual growth rate of about 3 per cent in the current quarter down from an estimated 4-5 per cent in the fourth quarter of last year.

On Thursday Mr Robert Reich, labour secretary, predicted December data would show "employment rising, probably in the area of another 160,000 to 200,000". As this was below the consensus forecast in financial markets, bond prices rose as analysts' scaled back estimates of economic growth.

The fact Mr Reich's prediction was spot-on has revived charges he improperly leaked the highly sensitive data. Officials, however, say Mr Reich made an intelligent guess based on previously released figures.

Jordan, PLO sign bank deal

By James Whittington in Amman

Jordan and the Palestine Liberation Organisation yesterday signed a long awaited economic agreement which gives the Central Bank of Jordan wide-ranging monetary responsibilities in the occupied territories during the transitional period of Palestinian self-rule.

The deal was signed after three days of intense talks between Jordanian and PLO officials in Amman. It followed a speech by King Hussein last week in which he said the PLO had a "last chance" to come to an agreement.

Its main impact will be to clear the way for the re-opening of Jordanian banks in the West Bank and Gaza Strip which were closed following the 1967 war.

Non-Jordanian banks, such as the British Bank of the Middle East and ANZ Grindlays, which had both expressed an interest in re-opening their branches, have not been included at the moment.

A joint Jordanian-Palestinian monetary and banking committee will be established to work under the CBJ on monetary policies in the occupied territories during the interim period. It also provides for the continuation of the Jordanian dinar as legal tender in the territories. One third of Jordan's money supply is said to be in circulation in the West Bank.

The PLO leadership had previously postponed endorsing the deal, which has been ready since November, for fear of relinquishing too many Palestinian monetary responsibilities to the Jordanians. But the king's ultimatum, in addition to an agreement between Jordan and Israel to go ahead with the re-opening of banks without PLO consent, seems to have forced their hand.

Mr Mohammed Nashashibi, chairman of the PLO's department of economic affairs and planning, described the deal as "positive for both sides" and one which "will increase co-ordination between the Palestinians and Jordanians". Mr Jawad Anani, Jordan's minister of information, said the accord met "the level of our ambitions".

The agreement also provides for future co-ordination between Jordan and the PLO on joint projects in the fields of agriculture, industry, commerce and tourism.

It sets an initial figure of $300m (£20om) for two-way trade across the Jordan River.

A right-wing Israeli (right) shouting yesterday at a left-winger while a plainclothes policeman tries to keep the two apart during a clash on the outskirts of Jerusalem between supporters and opponents of the PLO-Israel peace accord *Reuter*

France applauds Togo poll delay

France said yesterday a two-week postponement of Togo's parliamentary elections after an attack on President Gnassingbe Eyadema should be used to ensure the poll is fair and democratic, Reuter reports from Paris.

Doubts grow over economic recovery prospects

Japanese rates decline as pessimism deepens

By Emiko Terazono in Tokyo

Japanese long-term interest rates fell to a new six-year low yesterday because of mounting pessimism over the economy and speculation of an imminent discount rate cut.

The yield on the No 157 ten-year benchmark government bond fell to 2.97 per cent, breaching the 3 per cent level for the first time since June 1987. Delays in the government's announcement of an emergency economic package together with a big income tax cut have raised doubts over prospects for economic recovery soon.

The inability of Mr Morihiro Hosokawa, the prime minister, to take economic initiatives because of a parliamentary wrangle over political reform has fuelled expectations of a cut in the official discount rate, which is already at an historic low of 1.75 per cent.

Long-term interest rates have fallen steadily over the past year as hopes over the government's promised economic recovery have faded because of falling consumption, an ailing financial system, and a sharp rise in the yen. The yield on the 10-year benchmark has declined by more than 150 basis points from the start of last year.

Even if the government announces a package of fiscal support measures later this month, analysts do not expect interest rates to rise. "People need some convincing signs of an economic upturn to take profits, and that won't come until the spring," said Mr Robert Feldman, an economist at Salomon Brothers in Tokyo.

Another reason for the bond market rally has been the poor performance of the Tokyo stock market. Additionally, investors wary of foreign currency risk have avoided placing funds in overseas markets and have opted for domestic government bonds.

Although some investors are becoming cautious at current levels, many still expect yields to fall further, with the 10-year benchmark falling through the record low 2.55 per cent reached in April 1987.

Meanwhile, a fall in construction orders highlighted intensifying economic gloom. The Japan Federation of Construction Contractors said orders in November fell 16.6 per cent from the year before.

China pressed over N Korea

By William Dawkins in Tokyo

Japan is expected to press China to use its influence to encourage North Korea to allow international inspections of all its nuclear sites when Mr Tsutomu Hata, the Japanese foreign minister, arrives in Beijing today to meet his counterpart, Mr Qian Qichen.

"This is of vital, vital interest to both countries" and Japan expected China to play a "big role", said a foreign ministry official. Earlier in the week, North Korea agreed in principle to allow International Atomic Energy Agency inspections of seven sites, but did not agree to let inspectors visit two more suspected and undeclared nuclear facilities.

Mr Hata's two-day visit is his third meeting with the Chinese foreign minister since Japan's coalition government took power last August. Contacts have increased partly for economic reasons, as bilateral trade between China and Japan rose to an estimated record $35bn last year, from $25.3bn in 1992.

China is still unsure of the new government in Tokyo. It wants to maintain continuity of relations with Japan, which it sees as an important intermediary with the US, as well as a trade partner. Japanese loans to China, nuclear testing and environmental policy could also be discussed, said Japanese officials.

Tokyo may act in drugs row

By Emiko Terazono

Japan's ministry of health and welfare is considering disclosing its evaluation procedure for new drugs, after the death of 20 patients who took a cancer drug during clinical tests.

The ministry is trying to alleviate public criticism over the approval by the Central Pharmaceutical Affairs Council last month of irinotecan hydrochloride, a lung, uterine and ovarian cancer drug which also causes diarrhoea and a decrease in white blood corpuscles.

From March, the Health Ministry is expected to inform hospitals and medical associations on how it examines and evaluates new medicines during screening and provide doctors and pharmacists with clinical data of the checks.

Ministry officials have blamed drug companies for not providing sufficient information about new drugs, and says it wants to promote the proper use by providing information.

Before the anti-cancer drug case, 14 people died after taking sorivudine, a shingles drug, causing a rift between the Health Ministry, doctors and drug companies. Ministry officials blamed doctors for failing to read warnings against the combined use of the shingles drug with an anti-cancer agent, while doctors criticised the ministry and the drug maker for not placing conspicuous warnings.

Inkatha leader spurns elections

Chief Mangosuthu Buthelezi's conservative Zulu-based Inkatha Freedom party said yesterday it would not take part in South Africa's first all-race elections in April, Reuter reports from Durban.

The African National Congress, Inkatha's bitter rival, is widely tipped to win the elections. Inkatha has been aligned with some right-wing parties opposed to the elections.

Hong Kong suffers most from US-China trade arguments

A 25% cut in textiles quotas has raised a storm in China that threatens Hong Kong's entrepôt trade. Louise Lucas reports.

It takes just three words – Most Favoured Nation (MFN) – to send Hong Kong companies and government heads alike into a spin. Each year they lash out at the US administration for hurting Hong Kong interests when the real target is China.

But when US Trade Representative Mickey Kantor announced on Thursday that US quotas for China-made textile and garment goods would be slashed by 25 to 35 per cent the mood in the colony was remarkably subdued.

Remarkably, because re-export trade of China-made textiles and garments to the US accounted for HK$25bn (£2.175bn) last year and, according to one trade lawyer's estimates, nine out of every 10 Hong Kong manufacturers now rely on factories in China for their output. Re-exports make up around three-quarters of the total volume of Hong Kong's trade: the US and China are its two biggest partners.

China, in contrast to Hong Kong, blasted the US decision as "irresponsible" and warned of possible retaliation. "This will have a serious impact on Sino-US trade relations," a statement from the Ministry of Foreign Trade and Economic Co-operation said. "If the US persists... this will force our side to take corresponding and retaliatory measures."

The statement said China wanted to continue to negotiate and did not outline the possible retaliation.

Mr Chris Jackson, deputy director-general of Hong Kong's trade department, said the government remained confident the two countries need each other too much to remain at loggerheads for long. For now, he said, there is no sign the move would effect Hong Kong's re-export trade: "What the US side has done is raised the stakes," he said.

Mr Henry Tang, managing director of Peninsula Knitwear, is one of the colony's key players in the sector. His company employs about 10,000 workers in China, and around 80 per cent of the goods are exported to America.

He said: "They (China and America) are keen to come to an agreement as soon as possible, but not at any cost.

"If this gets implemented, obviously we will be hit. But the service industry will be hit too. We cannot quantify the hit in cost terms, because once China retaliates, the American [list] will escalate."

If Hong Kong is playing this particular game with pokerfaced calm, it has good reasons for doing so.

First, the policy will prove tough to implement. By definition, transshipment is the result of high US demand for textile and clothing quota supply. If manufacturers with more orders than they have quota allowances cannot buy more quota, they can be tempted to falsify the country of origin. Cutting that supply is likely to exacerbate the problem rather than relieve it.

Mr Roy Delbyck, a lawyer representing several US importers buying in China, said the US will simply drive up quota prices – which in turn will be passed on to consumers – and create a bigger transshipment problem. "If by cutting quotas the US thinks it is going to wipe out transshipment or ameliorate it it is sadly mistaken."

Secondly, Hong Kong's argument that it is an innocent bystander in China's MFN dispute with the US is not watertight in the case of transshipment. Many textile and garment factories in China are controlled by companies in Hong Kong, Macao, Singapore, Korea and Taiwan, which play a part in organising such trade.

Third, much of Hong Kong's purchasing from China is done early in the year – typically in the first four months – giving companies an early bite of China's quota cake. Hints of quota cuts late last year prompted many to sort quotas out even earlier than normal. Manufacturers have bought ahead, and put goods into warehouses for extended storage.

Although the Hong Kong stock market fell 3.28 per cent to 11,001 yesterday, for a two-day fall of almost 10 per cent, analysts said the quota announcement alone had little effect on share prices.

The deeper worry for Hong Kong is that the US administration will go beyond mere threats of quota cuts. China would respond by hitting out at the US in key sectors such as aviation.

As piggy-in-the-middle, Hong Kong would not only lose trade volume: the growing service industry would also suffer.

WASHINGTON SPEAKS WITH ONE VOICE AND SENDS MIXED MESSAGES

"One of the things the Chinese need to understand," said a senior US Treasury official yesterday, "is that for the first time in years, Washington is speaking with one voice," Nancy Dunne writes from Washington.

But even with one voice, it is sending very mixed messages. On Thursday, administration officials threatened to slash China's textile quotas by more than $1bn (£672m) a year in retaliation for alleged cheating on quotas, but then approved the sale of three US satellites for launch on Chinese rockets; announced that China was at last ready to open talks on its missile sales; and praised Beijing's moves to open its market.

It was the textile action which made the headlines and brought threats of retaliation from Beijing. Importers say no proof has been presented – even to the Trade Representative's industry advisory group – of a transshipment problem as massive as US officials claim.

Textiles negotiations are always complex and protracted. The latest have been particularly difficult because the US has been insisting on the inclusion of a specific clause against transshipment which allows for treble penalties and provides authority to inspect overseas manufacturing facilities. Sixteen countries have agreed to the measure, but nine – including India and Pakistan – have not.

"It's a tough pill that we're asking China to swallow," said Mr Rich Brecher of the US-China Business Council. "The US may have thought if it got China, perhaps the others would fall into line."

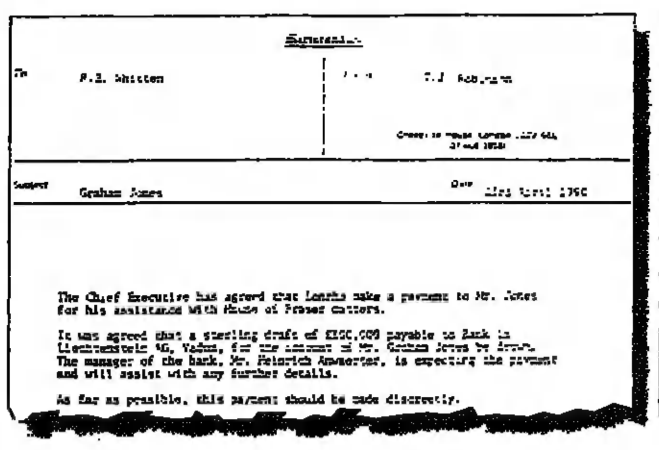
According to Ms Julia Hughes, vice president of government relations with Associated Merchandising Corporation, the Chinese have begun to act against transshipment and ought to be encouraged rather than criticised. Importers see numerous avenues for compromise.

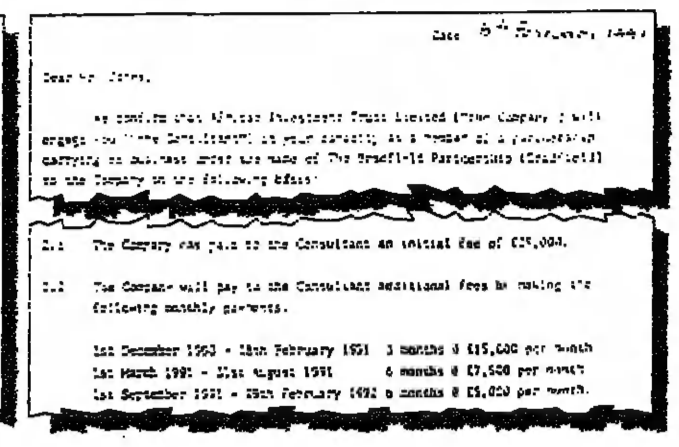
But the tough government line has left many in Washington perplexed over whether it is a payoff to the domestic textile industry, a display of machismo to prod China on human rights and further trade liberalisation, or a miscalculation.

Robert Peston explains how Mohamed Fayed is making legal use of his deal with Tiny Rowland

Harrods boss moves to settle an old score

Tiny Rowland





Mohamed Fayed

Mr Mohamed Fayed is enjoying the spoils of the peace that recently broke out between him and Mr Tiny Rowland, the joint chief executive of Lonrho with whom he had been battling since 1985 over his takeover of Harrods and the House of Fraser group of department stores.

Since the entente was reached with Mr Rowland in October, he has received reams of documents from Lonrho. The writ he served yesterday, alleging breach of confidence against Mr Graham Jones, House of Fraser's former finance director, is the first tangible use he has made of them.

In 1991, the Bank of England forced Mr Fayed and his two brothers to give up management control of Harrods Bank, a small profitable banking subsidiary of the department store. The Fayeds transferred all voting shares in the bank to an independent trustee, the Law Debenture Trust Corporation, though they retained an economic interest through ownership of the non-voting shares.

Mr Fayed had long suspected that Mr Jones had supplied potentially damaging information on the store group to Lonrho, the Bank of England and the Commons treasury committee.

However, it is understood that the Bank's action was prompted mainly by the conclusions of a report by Department of Trade and Industry inspectors, published in 1990. The report said that the Fayed brothers had dishonestly misrepresented their origins, wealth and business interests during the £615m bid for House of Fraser.

None the less Mr Fayed was furious with Mr Jones. But he was unable to sue him until Lonrho handed over handwritten notes and typed memoranda purporting to show that Mr Jones gave it sensitive information and used this information to damage House of Fraser.

Other documents show that Mr Jones received £555,418.07 in payments from the Lonrho group of companies between April 1990 and June 26 1991.

Mr Fayed had dismissed Mr Jones in early 1990 after he discovered that a business the company had just bought, Modena Engineering, which held a Ferrari motor car franchise, had been making losses. He was angry with Mr Jones for not discovering the losses before the deal was completed.

The letter terminating Mr Jones's employment at House of Fraser says that he should not disclose confidential information about the company to outsiders or use such information to harm it.

The writ makes several allegations against Mr Jones:

- He is said to have supplied confidential information to Lonrho which it used in a damaging propaganda document, called "A Financial Assessment of the Consolidated Personal and Commercial Interests of the Fayeds", published on September 5 1990 and sent to leading bankers and accountants in the City in an attempt to destabilise House of Fraser.
- He is alleged to have given Lonrho a copy of a draft letter he had written to the governor of the Bank of England, Mr Robin-Leigh Pemberton, now Lord Kingsdown, saying that "the Fayeds are men whose lack of probity and integrity is abundantly clear and it is inconceivable to me that they could be permitted to remain as holders of a banking licence".
- He tried to discredit House of Fraser in conversations with a Bank of England official, Mr Peter Filmer, without disclosing to the Bank that he was being paid by Lonrho.
- He tried to persuade House of Fraser's lead bank, Midland, to withdraw banking facilities from the department store group, without disclosing he was being paid by Lonrho.
- He informed the Commons trade and industry committee, which was examining House of Fraser's ownership of Harrods Bank, that its banking facilities would be withdrawn in the following 18 months, without disclosing he was being paid by Lonrho.

The writ says that at about the same time as Mr Jones gave Lonrho a copy of his letter to Mr Leigh-Pemberton, Lonrho paid £100,000 to Mr Jones's account at the Bank in Liechtenstein. A Lonrho memo, authorising the payment, says that payment was in return for "his assistance with House of Fraser matters".

The memorandum continues: "As far as possible it [the payment] should be made discreetly".

Mr Jones is also alleged to have provided Lonrho with a memo about the relationship between Mr Fayed and Lord McAlpine, who was then treasurer of the Conservative party. The memo says: "Alastair McAlpine has attended several meetings with the Fayeds at Harrods and an unknown number at 60 Park Lane [where the Fayeds have offices] since he became treasurer of the Conservative party". It continues: "Mohamed Fayed . . . has said 'Alastair McAlpine is good man (sic). He help us, we help him'." However, it says there is "no evidence of any donation by the Fayeds to the Conservative party in the accounts of House of Fraser".

Lord McAlpine said yesterday: "The Fayeds never gave me or the Conservative party any cash."

Short Brothers to shed 429 jobs

Short Brothers, the Belfast aircraft and missiles manufacturer, announced yesterday it was shedding 429 jobs following a big review of manpower, Our Belfast Correspondent writes.

The company blames the redundancies on continuing financial problems in the industry and cuts in defence spending worldwide.

Taken together, these trends have led to significant reductions in the aircraft, aircraft engine and defence programmes of many of Shorts' biggest customers.

Shorts regretted the impact of the cuts on its employment levels but is optimistic of improved job prospects in 1994.

Shorts, part of Canadian transportation group Bombardier, is Ulster's largest private employer, with just under 8,000 workers.

Water companies curb price changes

All large water companies in England and Wales have now agreed to reduce the scope for changing price limits between regulatory reviews, which take place every five years.

Mr Ian Byatt, the water industry regulator, said yesterday that 21 further companies had agreed the new licence provisions, making 31 in total.

Until now, companies or the regulator have been able to seek changes in price limits on eight possible grounds of "relevant changes in circumstance". These are to be reduced to three for most companies.

Bifu warns on performance pay

The banking ombudsman is to be warned by Bifu, the banking union, that moves to put bank staff on performance-related pay will lead to growing friction with customers.

The union said yesterday that it feared that performance targets and the scrapping of traditional pay structures would mean more "high pressure" selling of products.

Lloyds Bank last year introduced merit pay, and more than 75 per cent of its staff received it, with average increases of 3.4 per cent.

Lloyds intends to maintain the scheme this year while the other clearing banks have indicated to Bifu that they would like to discuss performance pay shortly. Many building societies have already introduced performance pay.

Power order sought in Taiwan

Nuclear Electric, the state-owned power utility, has submitted a joint tender with Westinghouse, the US power engineering company, to build a nuclear power station in Taiwan.

The design is based on the Sizewell B pressurised-water reactor station in Suffolk which is nearing completion.

The contract would bring about £700m of business to the UK.

Activists' influence worries Tories

By Kevin Brown, Political Correspondent

Senior Tories are becoming increasingly worried about the display of "people power" which forced Mr Tim Yeo to resign as environment minister after an extra-marital affair which produced a child.

The fear is that the campaign by Suffolk party members to force Mr Yeo to quit will lead to pressure for a bigger role for constituency activists. This has long been resisted by the party leadership, which has sought to maintain tight central control.

Close associates of Sir Norman Fowler, party chairman, believe that the Suffolk outburst was prompted by personal animosity between Mr Yeo and local party officials.

However, influential backbenchers say the affair has set an important precedent because no other Tory minister has been forced to resign by constituency pressure.

"This raises all kinds of complex questions about who is responsible for what in the party," said one senior MP.

There was also concern that more powerful constituency associations could be targets for extremist groups. These have occasionally infiltrated local party organisations in the past.

A backbencher said: "If we are going to be dependent on individuals, then who knows what groups will try to take control of constituency associations to influence ministers?"

The Suffolk activists' success was applauded by Mr Eric Chalker, a leading member of the Charter Movement, which campaigns for greater democracy in the Tory party. He said: "The desire of party members to assert themselves is steadily growing."

But the South Suffolk association appears to have achieved its place in Tory history almost by accident. The campaign leader, Mrs Aldine Horrigan, Tory mayor of Haverhill, was not available for comment yesterday. But locals say she had no intention of mounting a grass roots rebellion.

Meanwhile, the possibility that Mr Yeo might be forced to resign as an MP appeared to be receding after several branches in his constituency gave him their support. The Haverhill branch, of which Mrs Horrigan is vice-chairman, remains the only one to have called for Mr Yeo to be de-selected.

BT price move intensifies competition

By Andrew Adonis

The tariff changes announced by British Telecommunications this week intensify its fight for residential customers with Mercury and the cable television companies. In the process, its tariff structure is becoming more confusing than ever before.

Gone are the days of peak, standard and cheap tariffs, with calls dependant on the time of day and the distance of the call. The main changes are as follows:

- "Option 15", introduced two years ago, gives BT customers 10 per cent off call charges in return for a payment of £4 a quarter.
- A new weekend rate, introduced last month, sharply reduced the cost of most BT long-distance calls on Saturdays and Sundays.
- A "close ties" tariff, announced this week, will give BT customers a 5 per cent discount on five numbers of their choice, in return for a one-off payment of £4.99.

Mercury's policy has been to promise a reduction on BT's standard long-distance tariffs, while mirroring most of BT's special offers. It guarantees to undercut BT standard tariffs by 20 per cent for long-distance UK calls made at cheap rate; by 10 per cent for international calls made at any time; and by 10 per cent for UK long-distance calls made during peak time.

To counter Option 15, Mercury has its own special deal for day-time callers. For a £3 quarterly fee, customers get 15 per cent off BT basic prices for calls made during standard and peak periods.

As for "close ties", Mercury has launched its own "Yourcall" scheme, which starts in March. Mercury's version does not charge a registration fee, but, unlike BT's scheme, is not available for local calls.

Mercury has no local network, and it charges a £10 quarterly connection fee.

Connecting with Mercury can be done via a special phone with a blue button over most of the country or, in those areas with digital phone exchanges, by prefixing long-distance numbers with "132", once the user has registered with the scheme.

The cable companies, which now boast more than 300,000 phone customers in urban areas, almost all levy lower standing charges than BT, and guarantee reductions on BT standard tariffs. Nynex, one of the largest UK cable operators, charges a quarterly line rental of £16.50, against BT's £20.16 (from next month).

Yet in some cases it is cheaper to phone long distance on Mercury using a BT line than it is to take a cable connection.

Canals board 'can improve further'

By David Lascelles, Resources Editor

The British Waterways Board, which runs Britain's canals, has become much more commercially minded but could still do better, the Monopolies and Mergers Commission said yesterday.

In its second report on the board in seven years, the commission commended it for taking a more dynamic and businesslike approach to its work: it was better at planning, introducing standards, and computerising its operations.

But the monopolies commission made 48 recommendations for improvement, including cost control and more active marketing of leisure facilities.

Mr Neil Hamilton, the corporate affairs minister, said: "BWB has changed from a centralised organisation orientated towards administering a grant to one developing a strong commercial outlook, and the MMC commends the BWB and its staff for the work they are doing.

"Nevertheless, the MMC finds that BWB could continue to improve its efficiency and the quality of its services, and expects BWB to be able to generate higher net revenue."

The board said it would take account of the MMC's recommendations to provide continued improvements to the waterways.

Investor group may call for separate exchange

By Norma Cohen, Investments Correspondent

A City organisation of small-company investors and stockbrokers will meet next week to consider the establishment of a new exchange for start-up companies separate from the London Stock Exchange.

The City Group for Smaller Companies (Cisco) is disappointed that the stock exchange has failed to publish the report of its own working party which recommended the establishment of a new so-called Enterprise Market for smaller company shares.

The working party, which included several Cisco members, had broadly endorsed Cisco's call for the stock exchange to establish the Enterprise Market under its own auspices but with the addition of an independent board and chief executive.

The stock exchange board met to consider the working party report last month. It decided not to publish the report and, also, to commission additional market research from MORI.

Yesterday, following the final meeting of the working party, Mr Giles Vardey, the exchange's markets development director and a member of the group, said: "The exchange is wholly committed to finding sustainable ways of meeting the needs of smaller growing companies. I want to make it absolutely clear that the board has not rejected the working party's idea of an Enterprise Market. What we need is stronger evidence of demand for a separate market on these lines which would still be sufficiently different from the Official List to be viable."

The stOck exchange's actions have left small-company supporters disappointed. "My feeling is that we now have to pursue an alternative," said Mr Ronald Cohen, partner at venture capitalists Apax Partners and a member of both Cisco's board and the stock exchange's smaller companies working party.

French markets move closer to UK recognition

By Norma Cohen

The French bourse and equity options markets moved closer to full recognition in the UK yesterday after the Office of Fair Trading ruled that there were no significant anti-competitive rules which governed their operation.

The Treasury will now decide whether to approve the two exchanges, the Société des Bourses Francaises (SBF) and the Société de Compensation des Marchés Conditionnels (SCMC), operator of the French equity options market MONEP, as overseas investment exchanges in the UK.

In a report to the chancellor, Mr Kenneth Clarke, Sir Bryan Carsberg, Director General of Fair Trading, notes two rules which "could have the potential to produce significant anti-competitive effects – but do not appear to do so at present".

These two rules are requirements that members of the SBF have holdings of its share capital and that they abide by certain price limits and trading halts on the exchanges. Sir Bryan says he will keep these rules under review but that they are not likely to have the effect of restricting, distorting or preventing competition to any significant extent.

Approval would make it easier for UK securities firms which do not have Paris-based operations to become members of the two exchanges. The two would become the fifth and sixth authorised overseas investment exchanges approved to operate in Britain.

The others include the New York Mercantile Exchange (Nymex) and the Barcelona-based futures exchange Mercado de Futuros de Renta Fija.

Councils grab a fare chance to settle some of their debts

Charles Batchelor examines how authorities are rushing to sell off bus companies

Just when you thought one was never going to arrive they have all come along together. Spurred on by a change in the rules governing their finances, local authorities up and down the country have been racing to sell off their bus companies.

Brighton Borough Transport was sold to its employees just before the new year. In recent weeks Southampton City Council and the South Yorkshire Passenger Transport Authority have disposed of their bus operations to their managements. Grimsby and Cleethorpes have sold their jointly owned bus company to Stagecoach Holdings, a quoted bus operator, and Leicester CityBus has gone to GRT Holdings, another bus company.

This spate of sales was prompted by a change to the rules which from January 1 required local authorities to devote half the proceeds of assets sales to paying off debt. Before, they could spend the money where they liked.

So far, 25 of the UK's 48 municipally owned bus companies have been sold, although it is unlikely, in the absence of legislation requiring them to sell, that all councils will do so. A dozen mainly Labour boroughs are expected to retain control.

The 1985 Transport Act requires all boroughs to set up their bus operations as separately managed companies. This same legislation swept away many of the restrictions on bus services and allowed new operators to compete for business. The government's intention was to free the buses from local political interference and the constraints of public spending limits. Operators would be able to raise private sector finance and diversify into other areas of activity.

Costs and local authority subsidies have been reduced but continuing declines in the numbers of passengers using the buses coupled with increases in the route milages run has pushed average costs per passenger.

The most recent annual review by the Transport Advisory Service, a consultancy, showed the average bus company's profit margin (pre-tax profits as a percentage of turnover) at 3 per cent in 1991-92 – better than the 2.3 per cent for the year before but still not enough to allow them to renew their fleets.

Some bus operators have blamed the recession for the continued decline in passenger numbers, but others have managed increases despite the downturn. Plymouth Citybus, still munipically owned, has increased passenger numbers by 5 per cent a year over the past five years and converted a £400,000 annual subsidy into a pre-tax profit of £1.3m.

The ingredients for a successful bus operation include an aggressive approach to bus frequencies, often combined with a switch from cumbersome double-deckers to mini or midi buses; improved financial controls and a crackdown on costs. Mr Brian Fisher, managing director of Plymouth Citybus, said it had switched from two double deckers an hour on some routes to eight minibuses.

The smaller buses are cheaper to buy, operate and maintain and are nimbler in traffic.

Badgerline, the quoted Bristol-based bus operator, put midi-buses on less-travelled routes to allow no opening for competitors, explained Mr Trevor Smallwood, executive chairman.

Plymouth Citybus now compiles monthly management accounts within five days of the month end. Previously it produced quarterly accounts with took another three months to prepare.

Many of the companies involved in the spate of municipal bus company sales are small in terms of the overall size of the market – the planned privatisation in 1994-95 of the 10 London bus companies, with combined revenues of £370m, will represent a far more significant change.

Some people in the industry say the shake-up of the market has only just begun. The next year or so is expected to see several more bus companies taking the route to a London stock market listing.

Badgerline and Stagecoach, which together account for 8 per cent of the bus market, are the only two listed bus companies. Possibles for flotation include GRT Holdings, Go Ahead Northern and British Bus.

At the same time the large players are expected to absorb many of the smaller companies. Mr Smallwood said he expected 80 per cent of the local bus market to be dominated by three or four large companies within 10 years.

Flotations and mergers may change the structure of the bus industry but organic growth will depend to a large degree on planning policies which favour public transport.

Local authorities see car-free zones, bus-only lanes and park-and-ride schemes as ways to reduce traffic congestion. Increasingly, bus companies are working on such schemes with the very local authorities from whose clutches they have just been freed.

133 flood warnings issued in south

By Motoko Rich

The National Rivers Authority has issued 133 flood warnings, including four red warnings – used when flood barriers are in danger of being breached – for areas in the south of England at high risk of serious property damage.

The areas at most risk are:
- Salisbury on the river Avon.
- Chichester on the river Lavant.
- Aldershot on the river Blackwater.
- Newport Pagnall on the river Ouse.

Mrs Gillian Shephard, the agriculture minister, said yesterday the government would not compensate farmers and individuals suffering losses due to flooding.

She said on BBC Radio: "We don't have provision to compensate farmers or indeed individuals, and quite a lot of farmers do insure against severe weather conditions."

The National Farmers Union was surprised that Mrs Shephard ruled out compensation before the NFU had even formally requested government aid.

It said that although individual farmers had suffered serious losses, the flooding had not amounted to a "national disaster" for farmers.

Mr James Wiseman, group secretary for the Chichester branch of the NFU, said that most of the damage had been to crops and fields – which cannot be insured.

The Association of British Insurers estimated that flooding over the past two weeks had caused total damage of £30m-£60m. The storms of January 1990 caused £2.1bn of damage.

High flood waters yesterday disrupted three British Rail lines in the south-west. Bus services were in use between Swindon and Didcot on route to Bristol and Wales, and on the Barnstaple to Exeter and Liskeard to Looe lines.

Sales of new cars up 11% last year

By John Griffiths

The strength of recovery in the UK's new car market last year took dealers and manufacturers by surprise and has produced forecasts of further sales rises during 1994.

Statistics from the Society of Motor Manufacturers and Traders issued yesterday showed new car registrations rose by 11.6 per cent in 1993, to 1,778,426 from 1,593,601 in the whole of 1992, despite a downward blip in December.

However last month's 7.73 per cent drop compared with the previous December was technical – the result of an artificial boost to registrations last year caused by a rush to register remaining cars without catalytic converters before a December 31 deadline.

Mr Ernie Thompson, the SMMT's new chief executive, yesterday welcomed the figures and said: "We expect a modest recovery to continue in 1994 for which we are currently predicting sales of around 1.86m."

The Retail Motor Industry Federation, representing the bulk of the UK's retail motor trade, is predicting a further increase of 100,000 sales – to 1.88m – this year. However it warned that last year's growth was partly the result of intense marketing activity which had done little for profitability. It fears that a similar situation will prevail this year as continental European manufacturers intensify their UK sales efforts to compensate for slumping demand in their domestic markets.

Even if the forecasts are realised, this year's sales will still be well short of the industry record of 2.3m set in 1989.

Statistics for the commercial vehicles sector, also released yesterday, reinforce the RMI's warning on marketing activity. Sales of vans, trucks and buses, bought strictly on the basis of business need, were much less buoyant. They finished the year down 2.05 per cent at 197,067, from 201,186.

Ford retained its crown as market leader last year with 21.46 per cent, but its principal rival Vauxhall narrowed the gap at 17.09 per cent.

In December, Ford's share of 17.16 per cent left it trailing not just behind Vauxhall's 17.47 per cent for the second time last year but also – for the first time – behind Rover. Some of the biggest "winners" last year were continental European manufacturers, some of whom outperformed Japanese rivals. Fiat, Renault and the Peugeot group, including Citröen, increased sales by around one-third. Peugeot, which took a record 8.02 per cent, has now increased its UK market share for the 10th year in succession. The share of the market taken by imports rose marginally last year, to 55.51 per cent from 54.93.

Toyota is reaping the benefits of the start of car production last year at its Derbyshire plant. Its market share rose from 2.65 to 2.93 per cent.

The year's top-selling car continued to be the Ford Escort at 122,002, followed by the Ford Fiesta at 110,449, Vauxhall Astra, 108,204; Vauxhall Cavalier, 104,104; Ford Mondeo, 88,660; Rover 200, 77,745; Rover Metro, 57,068; Peugeot 405, 52,184; Vauxhall Corsa, 51,608; and Renault Clio,45,269.

The price is right, Page 9

UK car registrations – January-December 1993

	Dec '93			Dec '92	Jan-Dec '93			Jan-Dec '92
	Volume	Change%	Share%	Share%	Volume	Change%	Share%	Share%
Total market	73,730	-7.73	100.00	100.00	1,778,426	+11.60	100.00	100.00
UK produced	35,145	-13.99	47.67	51.54	792,921	+10.40	44.59	45.07
Imports	39,585	-1.39	52.33	48.86	885,505	+1.16	55.41	54.93
Japanese makes	10,464	-16.95	14.19	15.76	225,428	+15.11	12.67	12.30
Ford group	12,907	-4.46	17.50	16.84	387,895	+8.07	21.81	22.52
– Ford	12,654	-6.28	17.16	16.65	381,671	+8.02	21.46	22.17
– *Jaguar*	253	+68.67	0.34	0.19	6,224	+11.00	0.35	0.35
General Motors	13,300	+15.77	18.04	14.35	313,082	+13.46	17.60	17.32
– Vauxhall	12,878	+16.75	17.47	13.80	303,926	+14.23	17.09	16.70
– Saab*	422	-3.66	0.57	0.55	9,156	-7.28	0.51	0.62
– Rover**	12,769	-37.20	17.35	25.48	238,003	+10.57	13.38	13.51
Peugeot group	8,137	+11.86	11.04	9.10	223,640	+18.63	12.56	11.82
– Peugeot	5,685	+14.00	7.71	6.24	142,714	+15.07	8.02	7.78
– Citroen	2,452	+7.21	3.33	2.86	80,926	+25.48	4.54	4.04
Volkswagen group	3,986	-17.49	5.41	6.05	101,302	+0.50	5.70	6.33
– Volkswagen	2,501	+6.79	3.39	2.93	64,299	-1.31	3.62	4.09
– Audi	648	-9.88	0.88	0.90	19,725	+9.02	1.11	1.14
– SEAT	307	-32.38	0.42	0.57	8,658	+5.61	0.49	0.51
– Skoda	530	-59.73	0.72	1.65	8,620	-59.73	0.48	0.59
Nissan	4,860	-28.26	6.62	8.51	89,209	+20.25	5.02	4.66
Renault	3,729	+48.86	5.06	3.13	93,213	+27.40	5.24	4.59
Volvo	2,394	+61.00	3.25	1.86	43,740	+1.39	2.46	2.71
Fiat group	1,602	+34.74	2.18	1.52	45,607	+34.31	2.56	2.13
– Fiat	1,502	+44.15	2.04	1.30	42,841	+38.17	2.41	1.95
– Lancia	21	-54.35	0.03	0.06	583	-16.84	0.03	0.04
– Alfa Romeo	79	-21.79	0.11	0.13	2,183	-3.33	0.12	0.14
Toyota	1,347	-50.32	1.83	3.39	52,190	+23.63	2.93	2.65
BMW	*1,502*	*+7.21*	*2.04*	*1.75*	*40,921*	*+0.81*	2.30	2.55
Honda	2,227	+108.52	3.02	1.34	30,902	+15.37	1.74	1.65
Mercedes-Benz	1,009	+8.26	1.37	1.17	21,186	-5.53	1.19	1.41

*GM holds 50% of Saab Automobile and has management control. ** Includes Range Rover.

Source: Society of Motor Manufacturers and Traders

Unionist grassroots split on peace move

James Molyneaux faces a tricky task to maintain unity in his party, say **David Owen** and **Gillian Tett**

Mr James Molyneaux, the Ulster Unionist party leader, will today conduct the last of three private meetings of party activists in an exercise that will gauge the strength of grassroots backing for the party's guarded support for the Downing Street declaration.

The continued backing of Northern Ireland's largest political party for the declaration is vital to the UK-Irish peace initiative's prospects of success.

The declaration, of December 15 last year, entrenched the majority unionist veto over constitutional change in Northern Ireland but balanced it with explicit recognition of the possibility of a united Ireland.

Senior officials admit that initial reaction to the declaration was negative.

"At first the phone calls we were getting here were talking about sell-outs," says Mr William Bell, a UUP councillor in Lisburn, in the heart of Mr Molyneaux's Lagan Valley constituency.

But they say this mood changed once people started to study the document in detail. "Over Christmas the whole tone of the telephone messages changed to one of support for the parliamentary party," says Mr Jim Wilson, UUP general secretary.

Yet not everyone is happy, and it is clear that the leadership will not escape without criticism from this week's meetings.

Mr Jim Clarke, a UUP councillor in Belfast, plans to use tomorrow's gathering to urge the party to withdraw its support for the declaration because it "gives no alternative to Ireland's problems but a united Ireland".

Mr Clarke, who broke party ranks to support a motion condemning the declaration when it was debated this week by Belfast city council, argues that Mr Molyneaux was "too hasty" in welcoming the document. "Jim Molyneaux has not got a mandate from the people to accept this," Mr Clarke says.

Mr Raymond Ferguson, a UUP councillor in Enniskillen, says the meetings will reveal deep discontent in the party.

"People in the unionist community here are sore and angry," he says. "I am sure that the meetings . . . will be used by them to make it clear that they are not at all happy with what the UUP Westminster MPs are agreeing to in this declaration."

Another prominent UUP councillor says there is "widespread opposition" to the document in the party.

"My phone and mail bag has been dreadful with people complaining about it . . . We feel that Molyneaux is being sucked in – pulled along by Major [Mr John Major, the prime minister] because of Major's small parliamentary majority," the councillor says.

Senior officials expect that during the meetings Mr Molyneaux will discuss the advice he gave privately to Mr Major before the document's publication.

The leadership's hand has been strengthened by Westminster's decision to approve the establishment of a Northern Ireland select committee, a long-cherished unionist aim, symbolising the province's integration with the UK.

Unionist leaders can present this as tangible evidence of the party's influence at Westminster, which is strong as a result of the precariousness of the government's majority.

But Mr Molyneaux must still tread cautiously. The slightest sign that the so-called loyalist veto over any change in the province's constitutional status might be undermined could send support cascading to the Rev Ian Paisley's hardline Democratic Unionist party before the European elections later this year.

This partly explains the vigour with which Mr Molyneaux this week pounced on the republican movement's delay in giving a definitive response to the declaration, to claim the IRA had effectively rejected it.

The UUP leader's priority appears to be to encourage progress in the talks process being pursued under the stewardship of Mr Michael Ancram, the newly promoted Northern Ireland minister.

Mr Molyneaux signalled this in a recent letter to constituency chairmen, in which he spoke of the need to accelerate the thrust towards remedying the democratic deficiency in the province.

'Parent's charter' to go to 20m homes

By John Authers

The government will deliver copies of a revised Parent's Charter to 20m households next month at a cost of about £2m, Mr John Patten, the education secretary, said yesterday.

The duties of schools and responsibilities of parents will be set out in the document which is part of the Citizen's Charter initiative.

In response to claims that this would be wastefully expensive, Mr Patten said distributing door-to-door was the cheapest method for the taxpayer and ensured that all parents and "others concerned about education" would be fully informed.

Mr Patten said the move reflected the interest which Mr John Major, the prime minister, had taken in education and likened Mr Major to Mr George Bush, the former US president, who said he wanted to be an "education president".

He said: "John Major has a target of becoming an education prime minister. That's why when he talks about the back-to-basics message he talks about education."

Mr Patten refused to commit himself to a response to the call by the National Union of Teachers, made on Thursday, for this year's National Curriculum tests to be abandoned. He said the NUT had made no suggestion that it would stop teaching the National Curriculum before the tests and he questioned the union's motivation for wishing to abandon them.

However he said he would consider the matter further before making a formal response.

He said he would not deviate from the government's response to Sir Ron Dearing's report on the curriculum, published on Wednesday, which said tests should take place in mathematics, English and science this year.

Life industry wins respite on disclosure rules

By Alison Smith

Life assurance customers are unlikely to get better information from all sales agents until the start of next year, the Securities and Investments Board said yesterday.

SIB, the City's chief regulator, has published proposals which will become effective from July 1 this year.

Agents will have to disclose sales commission on life products and tell customers more about the disadvantages they would suffer if they surrendered a long-term investment early.

While a few companies are expected to implement the changes from the start of the new regime, the life insurance industry has been given six months, until the beginning of 1995, to make the transition.

Legal & General, one of the largest life offices, said it did not expect to be able to begin the regime until the start of next year, and there is a strong feeling in the industry that many life products will not be sold under the new rules until the last possible date.

One estimate puts the cost to the industry of changing computer systems to meet the new requirements at up to £100m.

SIB was told by the Treasury last July to produce regulations requiring disclosure a year after the Office of Fair Trading had said that its rules were anti-competitive.

Under SIB's new proposals – an earlier version of which was published last November for consultation – sales agents and advisers must automatically give customers written information about commissions in terms of cash before the customer signs a proposal form for any life product.

Regulators are to discuss further with the industry how to calculate the cash figures that should be disclosed as commission, in order to give the potential investor a clear and fair picture of the arrangements through a range of different distribution channels. There is great sensitivity about how the amount disclosed to the prospective buyer reflects the full commercial cost of assistance and services provided to company representatives which independent advisers would have to pay for themselves, such as administrative support, computer systems and accommodation.

Further work is being done on the paper which tells the customer more about the product and which is to be handed over by the sales agent at the outset of a sale.

The industry has consistently and vigorously opposed commission disclosure, and even among some regulators there is a feeling that the issue has grown out of proportion.

Mr Andrew Large, SIB chairman, emphasised that the new disclosure regime was only one element in bringing about improvements in selling financial services. He highlighted the setting up of the Personal Investment Authority and new training and competence provisions.

Authority acts over foetal eggs row

By Clive Cookson, Science Editor

The Human Fertilisation and Embryology Authority yesterday said its members had overcome the initial "Yuk factor" they felt over using eggs from aborted foetuses to treat infertility and were now keeping an open mind.

The HFEA – the government body set up in 1991 to regulate "test-tube baby" clinics – rushed out a consultation document in response to widespread concern about research which could lead to foetal eggs being used to treat infertile women within three years.

Sir Colin Campbell, HFEA chairman, said yesterday that members of the authority had reacted with "unease, distaste and surprise" when they first heard about the technique. But this emotional response to the "Yuk factor" had passed, he said.

The document itself acknowledges that the public "may feel an initial repugnance" to using aborted foetuses to help women whose own eggs are defective in some way. But it says the authority has an open mind and is looking forward to hearing people's views on the issue.

Scientists at Edinburgh University, led by Dr Roger Gosden, have shown that the technique works with animals. It involves removing ovaries from a foetus, "maturing" the eggs in the laboratory, fertilising them with sperm and then implanting the resulting embryos into the womb.

Mrs Virginia Bottomley, health secretary, said it would not be permissible to use human foetal ovaries under present legislation, and Dr Gosden has stopped the research programme until the HFEA has issued new guidelines. These are not expected before the autumn.

There is currently a severe shortage of donated eggs available for implantation into infertile women, who typically wait between three and five years for treatment in one of Britain's 63 fertility clinics.

Takeover Panel chief named

By Norma Cohen, Investments Correspondent

Mr William Staple, a director of the investment bank N.M. Rothschild, is to be director-general of the Takeover Panel. He will replace Ms Frances Heaton on March 2.

Mr Staple is the brother of Mr George Staple, the director of the Serious Fraud Office. "We will not be discussing City matters at family gatherings," Mr William Staple said.

He added: "I would hope that matters which come before the Takeover Panel do not later concern the SFO." His appointment, which is for a two-year secondment, has been made by the panel's chairman Sir David Calcutt QC, with the approval of the Bank of England.

The panel is a non-statutory body which for 25 years has set the rules that public companies and their advisers must follow in acquisitions.

Mr Staple said he believed the threat of a statutory regime for takeovers was the most significant issue facing the panel.

The European Commission, noting the success of the UK system, has proposed that all countries adopt legislation establishing similar rules in an effort to ease the way for cross-border merger and acquisition activity. The UK government is fighting the proposals, arguing that a statutory regime would invite the threat of judicial review for Takeover Panel rulings.

However, Mr Staple, echoing the views of Sir David, said: "I would want very much to resist a statutory system. People would be tempted to take their takeover decisions to the courts and the ensuing delays would greatly increase the costs of acquisitions."

He said that a statutory, and therefore more time-consuming system, would reduce the speed of the panel.

The current structure, he said, had led to a consistent application of general rules such as the requirement that all shareholders be treated equally and that those acquiring more than 30 per cent of a company's shares be required to bid for all of them.

Given the economic recovery, Mr Staple said, it was likely that his tenure at the panel would see another spurt of takeover activity, and it was possible some rules would be changed. "We will need to constantly review the rulebook in light of changing market practice and the cases which come before us," he said.

Ashley Ashwood

William Staple, who opposes EU moves for a statutory regime

Exchange breaks eight records

By Norma Cohen

Eight records for capital raising, trading markets and indices were set on the London Stock Exchange in 1993.

The exchange said that after record turnover in November, December was the second-busiest month ever, with business in London's domestic and international equity markets together totalling £109.38bn.

The FT-SE-A All-Share Index reached a record high of 1698.75 on December 29, while the FT-SE 100 Index reached its historical peak on the same day at 3462.0.

In 1993, a record 180 new UK companies achieved exchange listings, up from the previous high of 155 set in 1987.

Total equity turnover of £1,143.5bn was up 34.5 per cent from the previous record of 1992. Cash raised from UK equity rights issues was a record £11.38bn, up 12.3 per cent from the record set in 1991.

The exchange said monthly turnover in UK equities had been the highest since July 1987 at £55.8bn, mostly reflecting investor enthusiasm following chancellor Mr Kenneth Clarke's Budget statement. Business in overseas equities reached £53.6bn, the fourth-highest ever, after the successful conclusion of the Uruguay round of Gatt trade talks.

Scott blames Whitehall for inquiry delays

By Jimmy Burns

Lord Justice Scott has told the government that continuing delays in obtaining Whitehall documents has disrupted the conduct of his arms-for-Iraq inquiry.

In a letter to Mr Michael Heseltine, the trade and industry secretary, the judge confirms the inquiry has been delayed and sets a provisional date of July for the completion of a first draft of his report.

While thanking the minister for the co-operation generally shown by Whitehall, the judge states: "I regret to say . . . that there have been a number of occasions when documents have been submitted long after they should have been."

The letter continues: "This inevitably disrupts the orderly conduct of business."

An inquiry official said last night that there was no suggestion that the government was deliberately attempting to withhold information. "We have found that some of the documents we have asked for have been misfiled, or come to light after further inquiries," he said.

But the fact that its contents will not be known until after elections for councils and the European parliament will be a relief to the government. The letter, sent on December 21, was publicly released yesterday by the judge with a reply dated January 5 from Mr Richard Needham, trade minister, in the absence of Mr Heseltine, who has been on holiday.

In his reply, Mr Needham reiterates earlier assurances made by Mr John Major, the prime minister, that the government will "continue to do all that we can to assist" the judge in his inquiry.

The inquiry will resume public hearings next week with the appearance as witnesses of Mr Kenneth Baker, the former home secretary, and Lord Howe, the former foreign secretary. Critics of the inquiry in recent months have suggested that the exercise was proving an unnecessary waste of government money.

But the inquiry's sponsoring department, the Department of Trade and Industry, last night released figures which officials described as confirming "reasonable expenditure".

The inquiry costs to the DTI since November 1992 are officially put at £610,000. It is being covered by the DTI's overall budget for miscellaneous running costs in the year 1993-94 of £329m.

In his letter, Lord Justice Scott says that his inquiry has "raised important questions about the relationship between ministers and parliament and between civil servants and their ministers".

Outlook brightens for Maxwell pensioners

Norma Cohen reports on the quest to replace lost fund assets

Bank of America's surprise announcement earlier this week that it would pay £25m to the Mirror Group Newspapers pension scheme is the first good news that some 20,000 pensioners have had in months.

Moreover, it has raised hopes that financial institutions, professional advisers and insurance companies, all of which had dealings with Robert Maxwell, may be preparing to make significant contributions to the pension schemes that were depleted in the Maxwell era.

"I think 1994 is going to be a good year for us," said an adviser to one former Maxwell company pension scheme whose members are still seeking nearly half their assets. Trustees and advisers to the schemes point to two factors which have made them more hopeful than at any time since more than £440m was discovered missing in December 1991.

First, the efforts of Sir Peter Webster, the former High Court judge appointed to help find a "global solution", are said to be quietly making progress. Sir Peter is said to have met with all the banks and financial institutions holding assets which are also claimed by the pension schemes.

"One problem has been that some banks wanted not just a global solution but an inter-galactic solution," said one adviser to the pension schemes.

In short, they had hoped that a payment to the pension scheme would cause all claims against them from shareholders or other parts of the Maxwell empire to be dropped. Since last autumn, Sir Peter is said to have persuaded them that the inter-galactic solution is not practicable.

But the chief difficulty he has encountered was predictable. According to sources familiar with the talks, each bank wishes to minimise the amount of cash it must ultimately return to the pensioners. For many assets there are several possible financial institutions from which the schemes could demand restitution, so each bank has been reluctant to even discuss how much it is prepared to concede lest it let one of its competitors off the hook.

Sir Peter has managed to persuade the reluctant banks that any conversation he has is confidential. One scheme adviser said: "He sends you a note inviting you to ring for an appointment to see him. It's all very informal."

He is so concerned about confidentiality that notes of each meeting refer only to the individuals and their bank in a code "so that if the notes fall into the wrong hands, no one will understand them", one adviser explained.

Also, Sir Peter has apparently been willing to think broadly about solutions for financing the Maxwell pensioners, and is not insisting that each institution simply pay a single lump sum into the pot.

Insurance companies who provided director's liability policies, now refusing to pay hundreds of millions of pounds in claims, have been told it may be possible for them to spread their contributions over a long period of time because pension liabilities will come due over a period perhaps as long as the next 20 to 40 years.

Sir Peter is said to be working to a timetable which contemplates completion of an agreement by the middle of next summer.

Another significant new factor is a recent High Court judgment. At face value, the case was a victory for the defendants, Lehman Brothers, the investment bank, Credit Suisse, Swiss Volksbank and Morgan Stanley, who were being challenged by Macmillan Incorporated over the ownership of shares in Berlitz International.

Although Macmillan lost the case, in a 31-page summary Mr Justice Millett said it might have won against Lehman Brothers in particular had its lawyers argued that: Lehman Brothers knew or ought to have known that the Berlitz shares in question belonged to pension fund trustees; that stock borrowing activities which Lehman was party to were inappropriate for a pension fund; and that Lehman should never have taken possession of the shares in the first place.

In a series of writs filed against Lehman Brothers and others, trustees for the pension schemes are making precisely the argument that Mr Justice Millett concluded might have succeeded in court.

In a 158-page writ served last autumn, liquidators to the Maxwell-controlled fund manager Bishopsgate Investment Management detailed conversations and correspondence over a two-year period which aim to demonstrate precisely that point.

For its part, Lehman Brothers says it believes it has a strong case and that it is prepared to go to court. However, the investment bank said it had spoken with Sir Peter and would consider some sort of global solution in an effort to rid itself of a lengthy, expensive and embarrassing legal battle.

Equal pay victory for 1,500 women

By David Goodhart, Labour Editor

The largest group of women to win an equal pay case in Britain were yesterday celebrating pay rises of between 37 per cent and 74 per cent.

1,500 women welfare assistants in West Sussex schools were awarded pay parity with council van drivers by a Southampton industrial tribunal in a case concerning equal pay for work of equal value submitted four years ago.

Mr Phil Wood, the local representative of Unison, the public service union, said the basic increase on the annual pay bill of West Sussex county council would be £1.2m but that could rise to £2.3m as women moved up seniority scales.

Most women will see their hourly rate increase from £2.94 to £4.04 but that could rise to £5.13 per hour. Mr Wood said: "The settlement will give confidence and encouragement to women in all walks of life to fight for a better pay deal. It is also a clear signal to all employers that Unison and other unions are working hard to ensure that women are treated equally." The case, brought on behalf of four welfare assistants, has cost the union £100,000.

Equal pay cases have been dogged by length and cost. Only about 25 cases have been successfully completed in the past 10 years. The Equal Opportunities Commission recently opened discussions with the government about how to make legislation work better. It has also threatened to take the government to the European Court of Justice if it does not amend the laws to make them easier to apply.

Mortgage lending shows autumn dip

By Philip Coggan and Alison Smith

Net mortgage lending in November fell back to £1.65bn from £1.88bn in October, figures from the Bank of England showed yesterday. The statistics, however, still show a pick-up in lending from the first half of 1993, when the monthly figures averaged £1.2bn.

Mr Adrian Coles, director-general of the Council of Mortgage Lenders, which represents building societies and centralised lenders such as banks, said the figures showed that mortgage lending remained robust.

In terms of net lending, building societies continued to lose market share to banks, whose fixed-rate mortgages have proved popular. The seasonally adjusted figures in November stood at just less than £1.1bn for banks and £600m for societies.

The number and amount of new loans approved, however, showed the building societies picking up a larger share than the banks. Overall, loans approved in November were £4.7bn, up from £4.3bn in October, with building societies claiming £3bn.

Mr Coles said the overall rise in level of loans approved, confirmed the council's view that the housing-market recovery could be expected to strengthen during 1994.

Bank and building society lending is a key component of M4, the broadest indicator used by the government to measure the money supply. Final figures for M4, published yesterday, showed seasonally adjusted growth of 4.9 per cent between November 1992 and November 1993. Such an annual increase is towards the bottom of the government's 3 per cent to 9 per cent monitoring range. However, growth in M4 has picked up recently; the annualised growth rate in the three months to November was 7.1 per cent.

Meanwhile, the shorter leading index, published yesterday by the Central Statistical Office, confirmed evidence of economic recovery by rising 0.7 per cent in the month to November. The index is designed to pinpoint turning points in economic activity five months in advance. November's rise, based on only three of the five index constituents, was largely caused by the strength in share prices.

The longer leading index, designed to look 13 months ahead, fell slightly in November and has been dropping steadily since March 1993. Many commentators doubt the usefulness of this indicator, which failed to predict the 1990-92 recession. The CSO said the composition of the indices was under constant review.

FINANCIAL TIMES

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Saturday January 8 1994

A soufflé for sophisticates

A western pension fund manager with money invested in Karachi or Istanbul would no doubt have been delighted this week to see that equities in both markets hit all-time highs. The pleasure would, however, have been qualified if the same manager held shares in Hong Kong, where on Thursday the stock exchange registered its biggest one-day fall since the 1987 crash. Depression would have set in with Malaysian equities, since the Kuala Lumpur exchange simultaneously saw the biggest ever decline in a single day. Given that such manic behaviour is the norm for emerging markets, any member of a pension scheme might reasonably ask whether a claim on earnings and assets in these developing economies is really going to do much for his or her retirement income.

At a theoretical level, the answer is encouraging. One of the advantages of the global equity market that has emerged since the liberalisation of exchange controls in the 1980s is that it enables countries to seek international solutions to a wider range of domestic economic problems. A particularly difficult problem faced by most developed countries arises from demography. Mature economies with ageing populations tend to generate excess savings in relation to the available profitable investment opportunities. This can lead to large current account surpluses, since the balance of payments is the mirror image of the balance (or imbalance) of savings and investment.

In an economy ring-fenced by exchange controls, pension fund money is largely trapped. Meanwhile, excess saving puts a brake on growth unless its deflationary impact is matched by dis-saving in the public sector. Yet public sector dis-saving leads to an absurd situation in which first-world countries run into the red on current account and have to suck capital out of the third world to finance their deficits.

Ageing population

Take away the exchange controls and it becomes easy to export excess savings in the form of equity capital to countries where populations are younger, savings lower and investment opportunities greater. This is a positive sum game, in which the contribution of western capital to economic growth in the third world, and the resulting return to the first world, make it easier to cope with the pressure of ageing populations. Meantime third-world countries enjoy more flexible access to capital, in that equity dividends, unlike debt interest, are not fixed.

The micro arguments for investment in emerging markets are equally strong. Portfolio theory has established an overwhelming case that diversification increases investment returns for a given degree of risk. Diversification into emerging markets offers particularly big benefits because these markets have a low correlation with international market movements. And there is a big benefit to companies in the third world in the shape of a much reduced cost of capital.

Practical limitations

This pleasing theoretical symmetry unfortunately has practical limitations. For the complementarity of savings and investment patterns across the globe is inadequately reflected in the structure of financial markets. Underdeveloped capital markets in Asia, Latin America and elsewhere simply cannot generate assets on a scale to match more than a tiny fraction of the liabilities of the first-world financial system. Much third-world financing, especially among the expatriate Chinese, is done through family contacts; and oriental families are notoriously more keen to speculate in other people's shares than to cede control of their own businesses.

Hence the fad that has sent prices sky-high over Christmas and the new year. A wall of institutional money has collided with a very rickety emerging market infrastructure. What has to be remembered is that such markets are usually under-regulated and plagued by insider dealing. Equity shares may confer no worthwhile voting rights and be subject to a variety of government restrictions. Company disclosure can be threadbare and accounting haphazard. Liquidity often proves illusory, which is why fund managers who think they have the Midas touch in Karachi should think again. It was the foreigners who propelled the market to its peak, and their judgment will look rather different when they propel the market back to the depths on their way to the exit.

Yet the caveats should not be overdone. Emerging markets may be as frothy as a soufflé, and as prone to fall. But Britain, the US and Japan started like that too. The first rule of this high-risk game is that investors should spread their risks and keep their exposure to a modest percentage of their portfolio. The second is that they should avoid buying in a bubble, which is where we are now. There are crashes aplenty in emerging markets and they constitute that rare thing: a clearly identifiable buying signal. Wait for the wailing and gnashing of teeth in those economies where longer-term growth prospects look assured.

Jurek Martin assesses the security and economic agenda Bill Clinton has set for his first trip to Europe as US president

Still chairman of the board

This weekend Bill Clinton sets foot on European soil for the first time since he became president 50 weeks ago. Before the year is out he is due to return to the continent two or three more times. If 1993 was the year of the domestic focus, with the foreign spotlight swivelling intermittently towards distant trouble spots and more consistently towards Asia, then the 1994 stage seems to have been arranged to give Europe the opportunity to reclaim what it has long considered its rightful place in the forefront of America's external security considerations.

At least this is the hypothesis and it has been reflected in a torrent of analysis in Washington this week, both by the administration and its critics. If words were all, then Europeans could be excused for thinking Warren Christopher, the secretary of state, never said, as he pungently did last autumn, that one of the problems of US foreign policy is that it had been too Eurocentric for too long.

Certainly the immediate Clinton mission is weighty. He will outline his vision for Europe in a Brussels speech tomorrow night. The Nato summit will debate the future shape and purpose of the alliance and the eventual widening of its security net to countries to its east; and a session with the European Union will discuss how best to extend economic benefits and assistance.

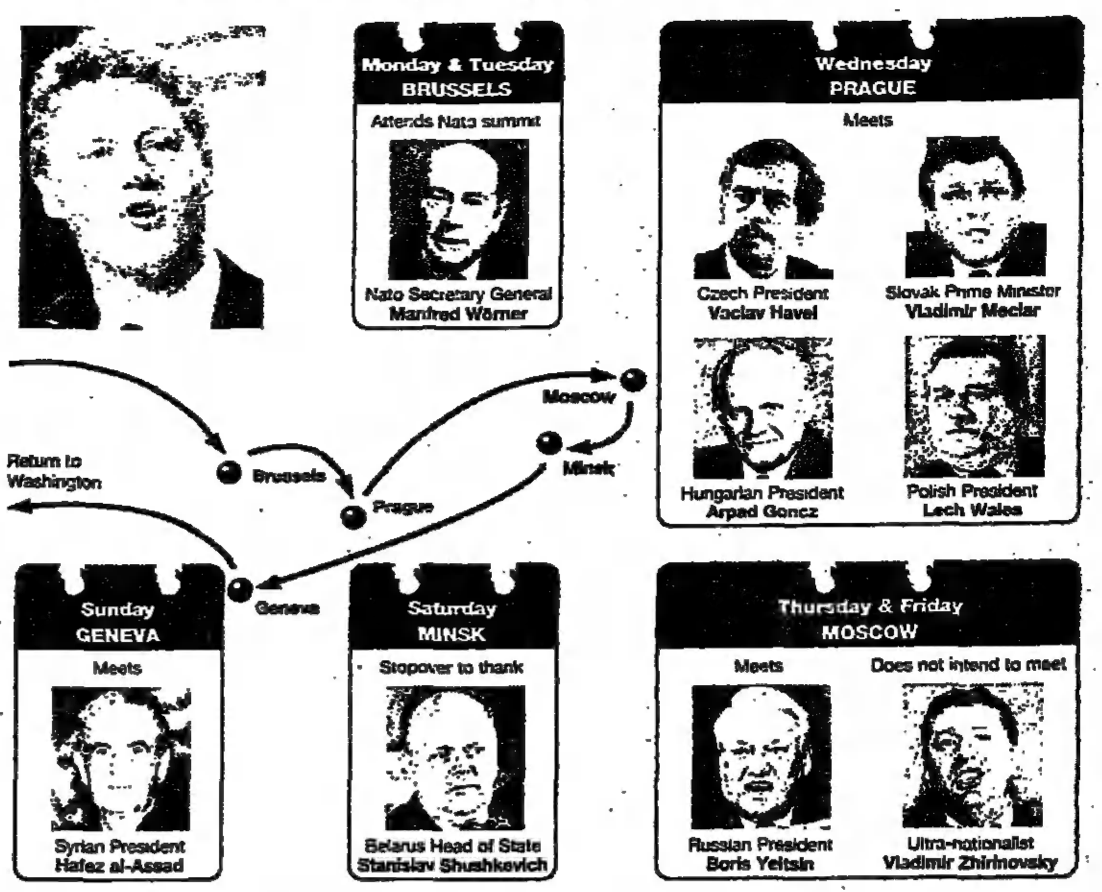
In Prague, the president must explain to the leaders of Poland, Hungary and the Czech and Slovak Republics why Nato's doors will not be immediately opened to them. In Moscow he has the difficult task of telling President Boris Yeltsin that resurgent Russian nationalism is neither conducive to greater European security nor helpful to continued US leadership in assisting the cause of Russian domestic reform. If Mr Yeltsin is in a defensive mode, which would be understandable, then Mr Clinton will need to be at his most creative and persuasive if he wants to avoid embarrassment.

In less tangible but equally important ways, Mr Clinton must also convince the heads of the governments of Western Europe, whose recent individual and collective leadership has been more conspicuous for its absence, that the US will remain thoroughly engaged. It may be debated whether the US president or his European counterparts are most to blame for any mutual lack of confidence – he because he has been otherwise engaged and because of Bosnia, and they because most would have preferred a second term for George Bush and because one of their governing parties, the British Tories, worked against Mr Clinton's election.

On the US side, there does appear to be a determination to put the western European relationship on a better footing. Anthony Lake, the national security adviser, claims there is little wrong with it, that his president has met in Washington as many European leaders as did Mr Bush in his first year and that, because diplomacy is not a zero sum game, the evolution of what he calls the first coherent US Asian policy in decades means no downgrading of the European priority.

The Uruguay Round agreement is held up as a model: the US and Europe burying their hatchets for the common good and not into each other. Mr Lake often refers to one of his own few public speeches, delivered last September under the title *From Containment to Enlargement* and devoted to the proposition that the "core" democracies (the US, western Europe and Japan) have a special obligation to work together for a more democratic and prosperous world.

Clinton takes his message to Europe



Western European diplomats based in Washington also generally take a more relaxed view about the state of transatlantic relations than their head offices back home apparently do. The British embassy, for example, is particularly grateful for US support over the latest Northern Ireland initiative and the French for being allowed to declare victory in the Uruguay Round, though there have been some communications problems with Germany over Somalia and Iran. UK diplomats are also pleased with the pre-Nato consultations and are convinced the summit will go smoothly, in spite of French attempts to give a higher profile to the latest deterioration in Bosnia.

Still, it would be pointless to pretend that the general perception is all of smooth sailing. Jim Hoagland's Washington Post column this week was closer to the mark in its observation that "what is missing is the day-to-day sense of trust and clear private communications that guided the Atlantic relationship through far more difficult times in the past". The reason for this at the highest levels may be obvious – Mr Clinton and his European counterparts share few cold war experiences – but that does not mean its absence makes life any easier.

The emphasis on economic security apart, the constant of Clinton foreign policy bearing most clearly on Europe is its devotion to the cause of reform in Russia. The resurgence of Russian nationalism evident in last month's elections and reflected in statements by Mr Yeltsin's government ever since has led to something of a reappraisal, both of Nato's evolution and the desired pace and extent of reform in Russia itself.

On Nato's development, an earlier, instinctive sympathy held by Mr Christopher and Mr Lake to extending membership sooner rather than later to Poland, Hungary and the Czech Republic seems to have lost out to the strongly held convictions of Strobe Talbott. The rising star of the Clinton foreign policy team believes this would undermine Mr Yeltsin and boost the nationalists.

This does, however, over-simplify a complex Washington policy debate. Critical objections to making Nato instantly bigger were also advanced by the US military, the alliance's most vital component. The Pentagon was not only concerned with the complications of absorbing military forces of which it knew too little, but also by the security implications of sharing operational knowledge with countries whose political futures as western-inclined democracies could not be assured (Hungary, for example). The compromise, known as the "Partnership for Peace", is based on creating "habits of co-operation" that could make eventual membership less troublesome.

On Russian reform, too, administration thinking has been fluid over the past month. The initial lesson drawn by Vice-President Al Gore and Mr Talbott after Russia's elections was that the country needed "less shock and more therapy". That has now been amended. This week President Clinton spoke of "more reform and more therapy, more attempts to build a safety net to deal with the consequences of reform but not an attempt to slow down the reform effort".

In Washington political terms, this is a vindication of the approach of the Treasury, specifically for Lloyd Bentsen, the secretary, and Larry Summers, in charge of international affairs. On Monday Mr Summers said in Boston it would be a "grave mistake" to think there was some "third way" for making reform in Russia less painful.

As it is, the US ability to pour vast extra resources behind reform is limited and Congress is unlikely to add to the $2.5bn in bilateral assistance voted last year. The focus instead will be on disbursing money to areas most in need, for which there should be leeway as only $8bn of the $28bn G7 support programme agreed last year has been actually delivered.

Both the plans for Nato and the reassessment of the approach to Russia have stoked the fires of public debate. This is not only because eastern European leaders such as presidents Lech Walesa and Vaclav Havel, both immensely respected in the US, have been so critical (though this did prompt the administration to send a team to eastern Europe, including General John Shalikashvili, new chairman of the joints chiefs of staff, for some smoothing of the presidential path).

A typical critique came from Robert Zoellick, undersecretary of state in the Bush administration, who wrote this week that the problem with "Partnership for Peace" was its lack of substantive criteria for admitting new members to Nato. "We should aim to bring these democracies into Nato at about the same time they enter the European Union," in his view over the next three to six years. The Washington Post and the Wall Street Journal this week broadly three agreed.

Brent Scowcroft and Richard Haass, respectively the head and a senior member of the Bush national security council, thought, in a doom-laden column, US foreign policy was approaching "a point of peril". They doubted a formal expansion of Nato was necessary, but advocated a much tougher US line towards Russia ("We have to make clear that our long term support is not unconditional and will depend on Russia's adherence to political and economic reforms and restraint towards its neighbours") and less severe cuts in US defence spending.

Mr Clinton's response has been careful, acknowledging US concerns about Russian sensibilities. "The signal that Yeltsin sent to me," he said, "is that he did not want to feel that Russia was being isolated, was being moved back into a sort of potential enemy status."

Similarly, he hoped the "limited" Nato approach to eastern Europe would work "because we don't want them to feel threatened by an eastern pull any more, but neither do we want to prejudge the future intentions and policies of Russia and other countries in the newly independent states, especially Ukraine".

The overall goal for Europe, east and west, including Russia, should be the emergence of a more integrated political and economic system, Mr Clinton said. A good start in this direction was for the US "to make as forceful an argument as is possible that the Europeans ought to trade more with them".

As an example, White House officials pointed out, the US has removed some cold war statutes limiting trade with the eastern bloc, as promised to Mr Yeltsin in Vancouver last year. Still had under review is repeal of the Jackson-Vanik amendment governing the granting of most favoured nation trading status to Russia (it now receives an annual waiver).

Strobe Talbott said Mr Clinton would, in effect, be offering more European countries "shareholding" rights in the form of "an arrangement and a mechanism that will give all of the states ... an important say in what the post-cold war security order looks like". By this yardstick, the US will remain chairman of the board, but Bill Clinton's Year of Europe, starting tomorrow, is predicated on the other executive directors pulling their weight.

WOMAN IN THE NEWS: ***A deputy headteacher***

Mistress of the 'mot juste'

Every time she walks into her classroom at Summerhill School, a 900-strong comprehensive in the West Midlands, Miss Nita Robbins is ready to do battle – not with her sometimes unruly pupils, but against the excesses of the UK government's education policy.

As deputy headteacher, with the responsibility for implementing the national curriculum at Summerhill, Miss Robbins, 52, has been in the front line. She has had to make sure that the school is in line with the new curriculum – in which the government laid out, in 1988, precisely what subjects should be taught in the schools of England and Wales, and what each subject should contain. This has brought unprecedented upheaval to classrooms: discipline has been a casualty, as have "non-core" subjects such as sociology and business studies.

Now some of these changes will be put into reverse, following the government's acceptance this week of the recommendations of Sir Ron Dearing on reform of the education system. These will cut the time allotted to curriculum teaching by 20 per cent for 11-14-year-olds and virtually abandon it for 14-16-year-olds. Miss Robbins says wryly: "At least this time the changes should be workable."

A French teacher, Miss Robbins has taught at Summerhill, at Kingswinford near Dudley, for 29 years, during which time the area's traditional steel industry has shrivelled. Most parents of her pupils are self-employed.

In spite of her struggles with the rigidities of the curriculum, she has managed to raise standards over the past few years, with 60 per cent of pupils last year gaining the equivalent of five old O-levels – well above the national average and a notable achievement for a comprehensive in an industrial area.

She says that, in spite of the difficulties of the past five years, she still supports the national curriculum in principle. "There were very positive effects when the curriculum was introduced in that it gave the provision of a basic entitlement [to be taught a core of information] to each pupil. It has also tried to introduce some coherence and progression, but as we now know from Sir Ron, it failed."

Her first problem was that the curriculum was installed in fragments. She circumvented much of this by starting a five-year plan on how the school would phase in the curriculum.

Rules on science, English and mathematics came first, and these subjects "tended to hog curriculum time". Subsidiary subjects had to be squeezed in when time could be found. Eventually the whole curriculum was fitted into the school week, but only "at the expense of the extra dimension of enrichment which I felt we had before".

An early casualty was a partly vocational GCSE in "child development", which had been popular with pupils interested in careers in nursing or social services.

Then Miss Robbins and her staff had to find more space to add the elements that they felt were educationally necessary. For example, a second modern language was added, although the curriculum only requires one, because they felt it was important for the children to have a choice. Fitting both German and French into the timetable meant giving lessons in each language for only three periods each week, putting pressure on both teachers and pupils.

Another adroit manoeuvre to make the curriculum work involved splitting the mandatory sex education between biology and religious education. "We saw it as a moral issue as well as biological one."

Now that Sir Ron has freed one day a week to be filled at schools' discretion, Summerhill may reintroduce its old "extra dimension" subjects. First, Miss Robbins must decide what to offer children older than 14, who will now be covered only by a minimal curriculum, and then sort out the less flexible timetable for children in the first three years of the school.

"My main job now is to take the fear out of the change," she says. "I have already had the heads of science and technology coming in to see what it means for them."

Miss Robbins also has to soothe the unions. Some may still boycott this year's tests, which are included in the Dearing package. No tests took place at Summerhill last year. "The tests didn't accurately or adequately monitor or assess what was in the curriculum. They simply were not credible." She has not seen this year's tests, and is awaiting the unions' next move. "Teachers' experience of the tests so far has not been a good one."

She is happy, however, with one government guideline: education secretary Mr John Patten's call this week that parents take greater responsibility for their children's behaviour in school. This is vital if Summerhill is to reduce the number of pupils it suspends from school, in line with Mr Patten's wishes. "The reason we're excluding more pupils is because there are fewer sanctions we can use. We use detentions but sometimes parents refuse to let their child stay in."

She agrees with Mr Patten that the cane is "a dead issue" as a disciplinary aid. It has not been used at Summerhill for more than a decade, and was only used at most about three times a term. The school has only ever expelled one pupil, after three years of disobedience, and the maximum exclusion time from school is now three days, imposed for serious offences such as swearing at teachers.

After managing Summerhill through the first three years of the national curriculum, Miss Robbins made further use of her experience in a nine-month secondment to industry. She helped IBM, the computer company, run courses, including on managing change.

Back at Summerhill, caught between a government that still lays down what most pupils should be taught for 80 per cent of the time and the demoralised workforce that must teach the curriculum, Miss Robbins, and thousands of heads and deputies like her, now face a task as difficult as running any large corporation. She does not intend to shirk it.

"With each child we must remember at all times that they will have only one bite of the cherry at their education. We need to get it right."

John Authers

UK car sales are rising on the back of manufacturers' discounts, says **John Griffiths**

The price is right

The UK has become a lonely, glittering prize for Europe's recession-battered motor industry. Carmakers in continental Europe, surveying the wastelands of their domestic markets, where sales fell last year by up to a quarter, are casting covetous eyes at the one big market in Europe enjoying what now looks like strong and sustainable growth.

New car registrations in the UK increased by 11.6 per cent last year – far more than the industry dared to predict 12 months ago. Even pessimists in the industry now expect sales to climb throughout the year.

But the explanation for the British revival is not a straight-forward tale of rising demand, and suppliers rushing to catch up. Much of the sales growth has been the result of consumers being wooed as never before by carmakers seeking either to stem losses or hang on to profitability and to keep production lines going. With few signs of market recovery on the Continent, consumers can expect the wooing to go on.

The response of the consumer has caused some mayhem and not a little heartache among the big carmaking rivals. Where traditionally many motorists would stick with one manufacturer for a lifetime, they are now switching between makers according to which is offering the best deal.

"Today's customer has become mobile, choosy – and totally disloyal," says Mr Alan Pulham, director of the National Franchised Dealers' Association.

The break up of customer loyalties, is apparent in the Society of Motor Manufacturers and Traders' figures. Sales in relatively new market niches, particularly leisure four-wheel-drive vehicles such as Rover's Discovery and "people carriers" like Renault's Espace, are still small but enjoying rapid growth.

Most spectacularly, those manufacturers which have established reputations for diesel models are enjoying a field day: diesel car sales last year almost doubled to 340,000 and they now account for one in five of new cars sold.

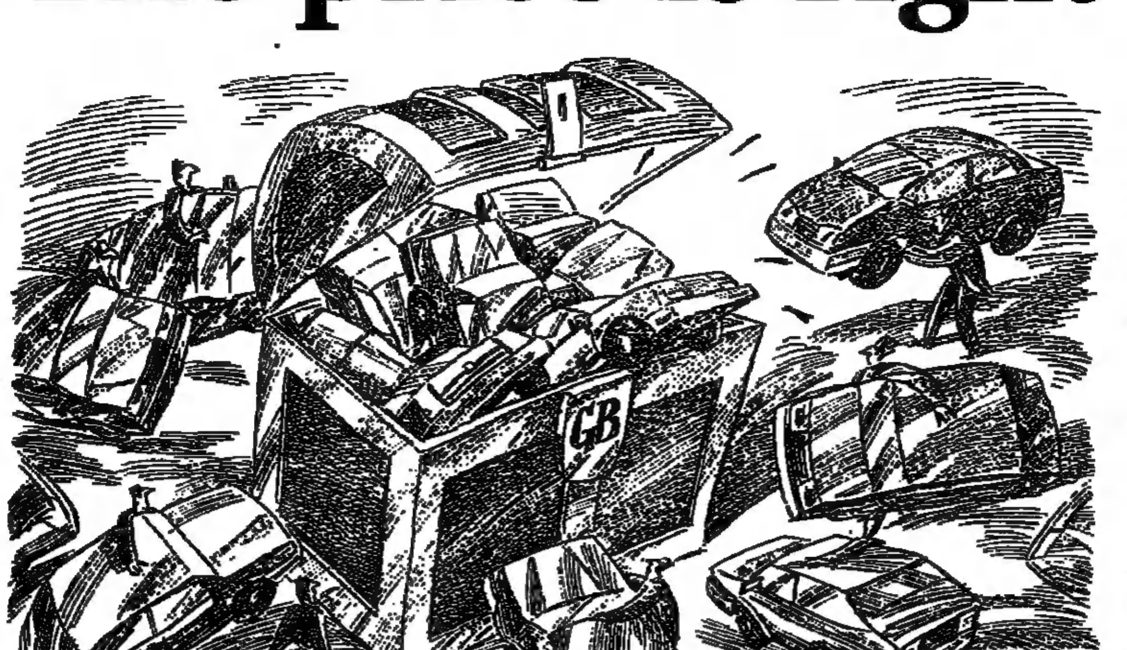
Mr Tom Purves, managing director of BMW (GB) says that the German executive carmaker had expected to sell 1,200 of its new diesel 3 and 5 series cars after their launch in the UK in the summer. "We're past 1,800 and simply can't get enough."

In such niche markets sales have risen unaided but in the mainstream the battle is being fought increasingly on price, with the biggest gains and losses in terms of sales last year correlating closely to the size of the discounts being offered.

Ford, once the market leader, is now struggling to maintain its pre-eminence, trailing behind both Vauxhall and Rover in December's sales figures. Last Spring, it cut the price of its new Mondeo saloon by an average of 6 per cent only a fortnight after launch. Subsequently sales revived.

At the same time, sales figures for last year have dispelled any suggestion that, as Japanese makers Nissan, Toyota and Honda strengthened their manufacturing capacity in the UK, they would push aside all other competitors.

The Japanese manufacturers are enjoying healthy growth – but having to invest as heavily in marketing as everyone else. Sales of Japanese models in the UK rose by more than 15 per cent last year.



In common with other manufacturers, the Japanese companies are having to fight much more strongly than they expected against some of the Continental manufacturers who were expected to be among their early victims.

A rash of well-received and competitively priced new models, combined with improved quality, successful marketing and generous offers on after-sales service, has led to companies such as Fiat, Peugeot and Citroen enjoying some of the best sales figures for any manufacturer last year.

Sales of Fiats, for instance, which had been falling in the UK since the late 1980s, increased by 38 per cent last year. The company was helped in particular by the introduction of the tiny, Polish-built Cinqueconto which set the pace for a new generation of urban runabouts and which virtually no other European makers can yet rival.

The ferocity of the fighting for supremacy which waged throughout last year – and which can only intensify in the absence of any significant Continental market upturn – has led some in the industry to question whether the recovery is as strong as it appears.

In carefully-timed broadsides just before and during the London motor show in October Mr Pulham, whose NFDA members sell four-fifths of all new cars, accused manufacturers of desperately trying to preserve market positions by "forcing" the market.

He said dealers were being pressurised into registering cars for which there were no final buyers in order to qualify for manufacturers' sales bonuses. By intensifying the downward pressure on prices, he argued, the practice was having an adverse effect on dealers, and because of the knock-on effects in the second-hand market, ultimately on the motorists as well. According to Mr Pulham, August alone saw at least 40,000 such cases.

Such attacks on the tactics of carmakers may be prompted partly by dealers' self-interest. More than 2,000 dealerships have gone bust or changed hands in the past two years of recession, as sales margins have been squeezed. Meanwhile, the leading manufacturers are dismissive of the impact of their attempts to increase sales, saying "pre-registering" has been part of the UK car market scene for years.

In addition, industry analysts such as Garel Rhys, professor of motor industry economics at Cardiff Business School, estimate that the net effect of pre-registration is probably only a slight over-statement of the new car market's size. Year-on-year comparisons hold good and yesterday's statistics are a fair reflection of the trend, he believes.

But another grievance of many dealers may prove of more significance: that the interests of individual consumers are being threatened by the practices of carmakers which sell direct to large fleet operators, bypassing the dealer networks.

The NFDA says that such deals, which can involve discounts of 35 per cent or more, now account for more than 300,000 car sales a year – nearly 20 per cent of the total. As recently as the late 1980s, such deals were rare.

The figures highlight the enduring popularity of the company car, many of which are now supplied from fleets, in spite of the progressive erosion in the past decade of their tax advantages. The latest changes to the company car tax regime, which come into effect on April 6, are expected to be broadly neutral.

The NFDA maintains that the discounts offered to fleet buyers have to be paid for somehow – and that small company buyers and private motorists are subsidising them. New car list prices could be cut by 5 per cent if such deals were outlawed, says the NFDA. But the association is not optimistic that its call for such practices to be outlawed will be heeded.

Such disputes over practices, however, cannot disguise a new found ebullience among both those who sell as well as make cars. This year, says Mr Ernie Thompson, the former Ford director recently appointed chief executive of the Society of Motor Manufacturers and Traders, sales should rise further by nearly 100,000, to 1.86m.

"To put that into perspective, it is still 20 per cent down on the 1989 peak," he says. But for many dealers, the fact that the British recession is history will be enough.

The uprising in southern Mexico marks a society mired in poverty, writes **Damian Fraser**

Victory elusive for rebels with a cause

In the main square of Ocosingo, a market town tucked in a mountain valley in the southern Mexican state of Chiapas, the shooting sounded like fireworks being set off to celebrate New Year. But when local people looked outside they saw young men and women dressed in green with red scarves, wearing balaclavas and brandishing machine guns.

Groups of guerrillas soon took over the modern town hall, killing four policemen. Then they seized the radio station, the bank and other public buildings. They broke open government stores and encouraged people to take whatever they wanted.

Pierre Housin, a Parisian who had come to Ocosingo to see his daughter marry a local businessman, said the rebels entered the hotels and told the town's handful of tourists they were not at risk. "At 7.30am I saw men in green coming through the town with machine guns, and we were extremely worried. But they weren't after foreign tourists and left us alone." The men then headed for the home of the town's wealthiest rancher, kidnapping him and his family, ransacking the house. His son-in-law was still missing three days later, but the rancher came back safely.

The rebellion in Ocosingo was repeated in two other towns in Chiapas and in the colonial city of San Cristóbal. It was the most violent uprising against the Mexican state since the 1910 revolution which toppled the ruling dictator.The fighters, members of the self-described Zapatista Army of National Liberation, declared war against the government on behalf of the country's 7m Indians.

Commander Marcos, the rebel leader who helped co-ordinate the attack on San Cristóbal, said it had been timed to coincide with the effective start of the North American Free Trade Agreement. The insurgents were fighting for democracy, land, food, housing, justice, they informed startled residents.

Speaking from the top floor balcony of the town hall, and wearing the trademark green and red uniform, Commander Marcos told the crowd below that he had taken over the town "because there were no conditions for free and democratic elections. In our declaration of war we call on the leaders of the state to use their constitutional powers to depose the government of President Carlos Salinas and his cabinet and in its place install a transitional government."

The words proved hollow. Three days after the uprising began, the rebels had abandoned all the towns, leaving graffiti, burnt-out buildings and about 60 dead from clashes with the army. In Ocosingo some 30 were killed by army forces, their bodies lying scattered in the market place which they had made their headquarters. Six were lying face down with bullet holes in the back of their heads.

Most of the guerrillas, up to 2,000 strong, were young Indians from small villages in the surrounding hills and jungles. Many carried AK-47 machine guns; others nothing more than wooden replicas. Some said they been training for years, but others looked as if they had never carried a gun before.

The slick statements of their leaders seemed at odds with the inarticulate explanations offered by the rank and file for the revolt. Along the road from San Cristóbal to Ocosingo, eight teenagers said they had never heard of the free trade agreement. They said they had taken up arms to fight against the poverty in which they live.

Some fighters said they had trained for years; it seems others had never held a gun before

The group, one as young of 15, had lost its commander and had not eaten for two days. "We have nothing where we live, nothing to eat," said the leader in halting Spanish, as he clutched a radio with no battery. He said they threw away their weapons as soon as they heard army rocket fire. They thought they would continue to fight, but were not sure.

AP

A woman grieving over the death of her cousin in San Cristobal

The insurgents come from Mexico's poorest state, which, with its large Indian population and endemic poverty, is more akin neighbouring Guatemala than to the rest of Mexico. Indians have generally worked in large farms belonging to landowners of Spanish descent or eked out a living from the corn and beans they produce on small plots of land.

In recent years some 15,000 Indians from San Juan Chamula near San Cristóbal have been expelled from their land by *caciques* (local political bosses), partly for embracing protestantism and also for becoming teetotallers, so cutting the value of the *caciques* alcohol monopoly. Other Indians in the jungle have lost land to loggers, the state oil company and cattle ranchers. The abuse of their rights has long been criticised by the church.

Many residents of the region have been angered by the revolt, and discrimination against an already oppressed minority may be stepped up as the army and police search the area.

Discrimination against the Indian minority may grow as army troops search the area

Outside Ocosingo, Elias Morales, a 30-year-old lorry driver, fled the town with his lorry as soon as the fighting began. "This is going to have a terrible effect on commerce. Its going to make it difficult for us," he said. "The rebels are people who do not want to work. They should defend their rights peacefully. They have destroyed what we have built."

Some people are more sympathetic to the plight of the peasants. Mr Jacindo Arias, president of an organisation of Mayan and Zoques writers in Chiapas, said: "The situation of Indians has improved in some ways but they are now demanding more. Modernisation and greater communication within the country have made them more aware of their rights." Indian groups throughout Mexico, who have denounced the rebel action, have becoming increasingly organised in recent years, following their counterparts elsewhere in Latin America.

As aircraft hovered over San Cristóbal, firing rockets into the hills, the government was trying to play down the significance of the revolt. Mr Eloy Cantu, a senior official with the interior ministry, said peasants had been manipulated by a group of violent extremists, probably trained abroad.

The political impact of the uprising is still unclear. The ruling Institutional Revolutionary Party still remains the overwhelming favourite to win this year's presidential election, but its candidate, Mr Luis Donaldo Colosio, may come under some pressure to stress still further the social aspects of his policies, and soften commitments to more economic change.

The more pressing challenge for the government will come in the weeks and months ahead as the army seeks to root out the guerrillas who have returned to their homes. The government is caught between wanting to capture those involved as soon as possible and not wishing to alienate Indian villages through excessive force, which would attract criticism from human rights groups.

President Salinas said on Thursday that there would be full respect and support for communities as action was taken against the rebels. But he also warned that any further violence would lead to a political clampdown and possibly to a curtailment of civil liberties. This could turn an isolated uprising into something more widespread.

From Mr Arias came a note of warning. "The rebellion is not a broad indigenous movement, but if there is oppression, it could become one," he said. "Indigenous peoples have to be given a voice in society."

Figures and fiction

UK TV groups face upheaval, says **Raymond Snoddy**

The day after Christmas, the BBC showed a feature film-length version of One Foot in the Grave, its hit comedy about the curmudgeonly pensioner, Victor Meldrew. The accident-prone grump pulled an audience of 20m for his One Foot in the Algarve and helped to clinch a holiday ratings triumph for the corporation. On Wednesday the BBC launches its most expensive costume drama, the £6m six-part adaptation of George Eliot's novel, Middlemarch.

The contrast this week with the commercial ITV network could not be more stark. There the talk is not of populist programmes and Victorian fiction, but about the cut-and-thrust of multi-million corporate deals and the first signs that newspaper groups, looking over their shoulders at media link-ups in the US, might before long be allowed to own commercial broadcasting companies in the UK.

Following the government's decision in November to allow one company to own two ITV licences, a mould-breaking process of consolidation is under way.

This week a majority of Central shareholders accepted an agreed bid, worth about £750m, by Carlton Communications, holder of the London weekday licence. Meanwhile, London Weekend Television continued its struggle, against apparently overwhelming odds, to avoid being swallowed up by Granada, the leisure and television group, in a hostile bid worth about £670m.

"ITV is undergoing fairly significant change and we will not fully understand it before the end of the year, until the dust settles," said Mr Greg Dyke, chief executive of London Weekend Television.

This week LWT lost a significant round in its battle to stay independent. The company confirmed that takeover talks with Yorkshire-Tyne Tees had collapsed. Under the plan LWT would have taken over the Yorkshire Television broadcasting licence and Anglia would have taken over Tyne Tees. As part of the deal Anglia would have received a share of the combined earnings of the overall Yorkshire-Tyne Tees group, based on the amount it invested in the agreement. Even though Yorkshire was prepared to recommended the deal, the Anglia board said "no", leaving itself a takeover target.

LWT plans to continue with a defence based on its managerial record, backing it up with the publication next week of a profit forecast that could top £40m for 1993. City analysts nevertheless regard a Granada victory as inevitable following the collapse of the Yorkshire talks.

Meanwhile, Lord Hollick, chief executive of MAI, the main shareholder in Meridian Broadcasting, the south of England ITV company, is interested in an agreed merger with Anglia but only at the right price. It is not clear that he will pay the present one of 472p or that Anglia is planning to fall quietly into his arms. But few in the industry believe Anglia is big enough to remain independent in the longer term.

With a further relaxation of the ITV ownership rules possible, allowing ownership of more than two licences before the end of this year, Carlton, Granada and possibly MAI could emerge as the dominant players in the network.

These chess moves gathered pace against the background of an announcement by national heritage secretary Peter Brooke that the government plans a comprehensive review of the UK's restrictive cross-media ownership rules. At the moment newspaper publishers cannot own more than 20 per cent of a commercial broadcaster in the UK.

The review was promised in November, when the ITV ownership rules were liberalised. But the setting up of the review, bringing together officials from National Heritage, the Department of Trade and Industry, the Treasury and the 10 Downing Street Policy Unit is a sign that change is likely – although to allow newspapers to own ITV companies would require legislation.

The government is trying to square a difficult circle – maintaining diversity and choice for audiences while creating UK media organisations large enough to play on the world stage.

The setting up of the review has pleased newspaper owners, several of whom have been lobbying for months under the banner of the British Media Industry Group for media ownership rules to be eased. The group brings together four newspaper publishers: Associated Newspapers, publisher of the Daily Mail; The Guardian Media Group; Pearson, owner of the Financial Times; and The Telegraph, which wants to expand its television interests.

One option for examination is whether ownership of the media should be treated like other industrial activities and regulated through existing monopoly and mergers rules.

So far, the upheavals have been about purely UK domestic battles, even though since January 1 the relaxation of ownership rules has made it easier for European Union companies to take over ITV companies. So far the silence has been deafening. If a continental invasion were ever to materialise, on top of the existing turmoil, executives at the ITV companies might exclaim – to use Victor Meldrew's catchphrase – "I don't believe it".

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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EU traveller finds barriers slow to come down

From Dr Harold W D Hughes.

Sir, At the conclusion of Andrew Hill's very relevant article ("Balloon struggles to get airborne", January 5) on the single market and the need for better enforcement towards the level playing field, he mentions the failure to withdraw passport formalities across member state boundaries.

In my recent experience, this is getting worse, not better. For a simple flight between the UK and continental Europe I have usually been obliged to produce my passport on no less than three occasions: once at check-in, then in passport control, and just before boarding the aircraft. We were surely all told that the coming of the European Union would do away with this kind of thing.

Is a new law to be enunciated? For all governmental actions (especially those stated to have the reduction of bureaucracy as their objective) greater bureaucracy will result.

Harold Hughes,
director-general,
UK Offshore Operators Association,
3 Hans Crescent, London SW1

£1m is not happiness for all

From Mrs J E Barnes.

Sir, Backing up R L Webb's letter (January 2) with regard to the proposed £1m premium bond prize, I would go further and suggest that this sum be divided into prizes of £1,000 each. Surely, like the thoughts of Micawber, £1,000 for most equals happiness and £1m for a few equal unhappiness all round.

And unless Ernie takes note of public opinion I intend to draw out my not inconsiderable holding, which until recently attracted a regular prize of £50, which encouraged me to buy more.

J E Barnes,
36 Lakeside Park Drive,
Reydon,
Southwold,
Suffolk IP18 6YB

Companies increasingly willing to help promote training effort

From Mr Graham Hoyle.

Sir, David Soskice's article, "UK's wrong turning on training" (January 6), outlined persuasively why British industrial employers have been historically less committed and involved in vocational training than their international competitors. That the UK is lagging behind is not disputed. He concludes, however, that our employers will not, indeed cannot, change; therefore the education system must continue to bail them out.

The UK cannot afford to adopt such a defeatist stance. I believe the growing acceptance by companies large and small of the need to commit themselves to being "investors in people", systematically developing the skills and potential of their workforces, demonstrates a potential change in industry's approach to skill development. This is a long overdue and welcome revolution that needs everyone's support.

The article also appears to suggest that the high-level vocational qualifications that will be achieved through the proposed modern apprenticeship will in some way be of lower value than traditional educational qualifications. This is quite incorrect. Vocational qualifications measure and accredit the application of knowledge learned – knowledge often learned quite rightly at educational institutions. Indeed, they are a natural development of the successful "applied learning" courses that were the hallmark of polytechnics in the 1970s and 1980s. We must move away from the damaging either/or, or "better than" debate. There is a need to encourage everyone to achieve higher qualifications, vocational and (so-called) academic. As such, the proposed modern apprenticeship offers another route to which many will, for the first time, be prepared to say "yes".

Finally, the assertion that the UK needs organisational and computing, rather than vocational, skills cannot be left unchallenged. The former are vocational skills. The challenge is that both higher education offerings and apprenticeships must deliver these with full employer support.

Graham Hoyle,
chief executive,
Gloucestershire Training and Enterprise Council,
Conway House,
33-35 Worcester Street,
Gloucester GL1 3AJ

Dance scene

From Ms Susan Hoyle.

Sir, In the introduction to his lively article, "Find the dancers a home" (January 1), Clement Crisp assumes the Arts Council has "arranged" to scale down London Contemporary Dance Theatre and increase the size of Rambert Dance Company.

It is in fact the artistic directors of the Contemporary Dance Trust and Rambert, not the Arts Council, who have determined the future direction and size of each company. It is a pity that Mr Crisp's very cogent plea for the establishment of a dance house is marred by factual inaccuracy and a limited view of our diverse and innovative contemporary dance scene.

Susan Hoyle,
dance director,
The Arts Council of Great Britain,
14 Great Peter Street,
London SW1P 3NQ

Correct representation of views on local government

From Mr Peter Crowe.

Sir I refer to Mr Philip G Yuill's letter (January 4) concerning local government reorganisation. The Teesside and District Chamber of Commerce, with some 1,100 member companies, has had a local government working group with the Confederation of British Industry and the Teesside Small Business Club for many years now, and has been consulting both its members and the larger business community over this issue for some considerable time. Our members range in size from the region's very largest companies to one-man-bands. Representations made on their behalf are their own views and are not made, as Mr Yuill states, by "those who have a vested interest in the debate".

Mr Yuill refers to partnerships between the local councils and the private sector. This chamber of commerce was invited by all our local councils to assist them in developing their City Challenge bids and we have representatives on both the boards and executive committees of Hartlepool, Stockton-on-Tees and Middlesbrough City Challenge groups, as well as specialist working groups.

The chamber movement, both on Teesside and nationally, has an excellent record of partnerships with local government. My attendance at the launch of the putative Tees Valley Development Company on a "bitterly cold foggy morning" (as Mr Yuill describes it), on behalf of the Teesside Chamber of Commerce, is an indication that we will continue to work with local government on economic development in our region, as we have been doing for some 130 years.

We believe that, having consulted our members extensively, we have correctly represented their views concerning the future of local government in the region.

Peter Crowe,
chief executive,
Teesside Chamber of Commerce,
Commerce House,
Exchange Square,
Middlesbrough, Cleveland

Granada goes on the offensive in LWT bid

By Raymond Snoddy

Granada, the leisure and television group, last night went on the offensive in its hostile takeover bid for London Weekend Television, now worth more than £700m, with a new appeal to LWT shareholders.

In a letter to them Mr Alex Bernstein, Granada's chairman, said the closing price of 553½p for Granada's shares on Thursday valued each LWT share at 664p, a premium of 79p, or 14 per cent, to the LWT share price on the last dealing day before the offer.

Granada's shares rose 26p to 579p yesterday, an increase that took the value of the share deal past £700m.

Mr Bernstein warned in the letter: "We believe that if you reject our offer the current level of LWT's share price is unlikely to be sustained."

The offer was extended for two weeks after the first closing date of December 29 when Granada received acceptances covering 2.31 per cent of LWT's equity to add to the 17.5 per cent it already held in the London ITV company.

Investors were waiting for the Granada offer to be sweetened but the pressure to make an improvement was reduced by the collapse of LWT's takeover talks with Yorkshire-Tyne Tees.

The talks under which LWT would have taken over Yorkshire and Anglia Television would take over Tyne Tees were scuppered earlier this week when Anglia rejected the plan at a board meeting.

The Anglia rejection came despite proposals that would have meant Anglia receiving a share of any combined profits from Yorkshire-Tyne Tees.

The proportion was to have been determined by the amount of money each company put into the deal.

In his letter Mr Bernstein renewed the Granada claim that LWT, with only "one business activity of any significance" had neither the size nor the resources to take full advantage of new opportunities.

Granada pointed out that brokers were forecasting pre-tax profits for 1993 of between £35.5m and £37m for LWT.

"Even if the estimate of profit before tax for 1993 were some £45m, implying earnings per share of 27.8p, you should ask yourself how sustainable an increase of that magnitude would be", the Granada chairman wrote.

LWT will publish its profit forecast next week but there are signs that the company is preparing a surprise defence to try to keep its independence.

Meanwhile, the Office of Fair Trading has extended its investigation into the deal.

Putting away their knitting needles

A growing number of friendly societies are diversifying into new areas, reports Alison Smith

It is hard to think of a more unlikely bunch of revolutionaries than a group which includes the Dentists Provident Society and the Metropolitan Police Friendly Society.

Yet this week, by joining the growing number of friendly societies which are using their ability to become incorporated to spread their wings and extend the range of services they can offer, they are contributing to a movement which has implications for the financial services sector more generally.

Altogether, 12 societies have taken advantage of the powers they acquired under the Friendly Societies Act 1992 – 10 of them doing so this week.

In numerical terms they are only a fraction of the 450 or so extant societies, but since they include the two largest, this group now accounts for more than three quarters of the £6bn or so funds under management by friendly societies.

Societies see the advantages of incorporation clearly. Previous legislation tied them more closely to their origins in the co-operative movement and in welfare provision than some thought necessary.

They were limited to selling long-term contracts, such as life assurance and pensions policies, and also faced restrictions on the range of tax-exempt investments they could offer.

The 1992 Act allowed them to incorporate and set up subsidiaries to carry out a range of related activities, provided that the Friendly Societies Commission, the regulator, agreed the plan, and the societies' members approved the move.

'If I could pay something now to make sure my mother would never come and live with me I probably would'

The list of activities permitted after incorporation is a sign of how diverse the sector is. Unit trusts and Peps, or general insurance are small steps from the mainstream business carried on by the larger societies, but moving into the administration of nursing homes or sheltered housing is a more surprising possibility, even though some societies, such as the Holloway Original, are already in this area.

So far, however, the main societies are looking to financial services.

Liverpool Victoria, which has £2.8bn under management, will offer buildings and home contents insurance, and is planning to act as an agent for mortgage business together with a building society.

Royal Liver Assurance, which has just over £1bn under management, is also planning to enter the general insurance business.

Both societies, which collect their premiums door-to-door, see this, rather than immediate access to more sophisticated savings arrangements, as what their market wants.

In the longer-term, however, both see other opportunities, particularly in the needs of individuals and their families as people retire earlier and live longer.

"If I could pay something now to make sure my mother would never come and live with me I probably would," Ms Lindsay Firth McGurkin, head of marketing at Liverpool Victoria, commented as she contemplated possible new areas of business.

Others which have incorporated have a different approach. Family Assurance Friendly Society was the first to make the move, last summer, and immediately entered the Pep market.

The society, which has £717m under management, is a far cry from the long-standing, collecting societies. It was set up in 1975 to market tax-free savings, and sells products to its members through, for example, independent financial advisers and through newspaper advertising and direct mail.

Like the collecting societies, however, Mr Barry Chambers, Family Assurance's marketing director, sees the future of the welfare state as offering a significant opportunity. "Friendly societies are united in making sure the sector gets a share of the cake," he said.

He added that the society would also be interested in moving into fund management for charities and small pension funds and providing administrative services to other societies.

These changes do not mean that the friendly society sector will immediately change completely.

Many, often smaller, societies will still see incorporation as irrelevant. Nor is there likely to be a stampede among those which do incorporate into esoteric areas in which they lack previous experience.

Ms Marion Poole, general secretary of the National Conference of Friendly Societies, described the societies as "sensibly cautious".

"Friendly societies are going to take their time, if only to avoid the equivalent of buying a chain of estate agents just before the bottom falls out of the property market," she said.

For the longer term, however, the largest friendly societies have shown their determination to adapt in order to survive. They will not simply, in a much-used phrase, "stick to their knitting", even if they are practising their crochet before considering fancy embroidery.

Pace of flotations continues as United Carriers seeks listing

By Catherine Milton

Trevor Humphries

On the road to flotation: Nigel Sargent, finance director, hitches a ride on one of the group's lorries driven by Allan Binks

The frantic pace of the new issues market seemed barely to have skipped a beat over the holidays as a parcels and freight distribution company yesterday publicly announced its intention to float – just one week into the new year.

United Carriers Group, which owns one of the main operators in the heavy parcels and light freight sector within the UK's transport and distribution industry, intends to seek a listing on the London Stock Exchange by way of a placing likely to value the company at a maximum £50m.

The placing will raise between £5m and £10m of new money.

"We will use the cash raised from the listing to finance depots," said Mr Allan Binks, chairman, who with his three fellow board members expects to become a millionaire as a result of the flotation. It is not yet clear what stake the board will have after the flotation.

Mr Binks said the move would provide an exit for the 35 per cent stake held by venture capitalists, led by Phildrew Ventures. They backed the management in a £55m buy-out from Bunzl, now a paper and packing company but then a conglomerate.

Bunzl had acquired the business, which then included an engineering arm, in 1985 for £95m. By 1988 the parcels side was incurring losses as fierce price competition reigned in its overcrowded market.

Following the buy-out, the management team reorganised the parcels and freight distribution business, adding further services in the same sector and selling non-core operations.

Today, United Carriers operates from 34 depots nationwide with a staff of more than 3,000. As well as business-to-business deliveries of larger parcels, it provides several specialist distribution services.

The company offers Europe-wide distribution through the General Parcel network, under which operators within 18 countries combine to form a cross-border service.

Operating profits on continuing activities, before exceptional items, were £4.5m in the year to December 1992. Turnover was £93m. Cash inflow was £8m and borrowings were about £10m, against £24m of shareholders' funds.

Trafalgar completes last stage of rescue package

By Simon Davies

Trafalgar House yesterday completed the final hurdle in its financial restructuring when shareholders unanimously approved a proposed £425m rights issue and placing of convertible preference shares.

Mr Simon Keswick, Trafalgar's new chairman, described the rights issue – the company's second over a 10-month period – as providing a "fresh start". Analysts agreed that it was a turning point in the fortunes of the troubled conglomerate, and suggested that further capital raising would be "unthinkable" within the next two years.

Shareholders were being asked to approve a 1-for-3 convertible preference share issue, and a further £70m placement of convertibles aimed at broadening the company's institutional shareholding base. The capital raising represents a rescue package to offset exceptional write-downs of £397m, which brought the valuations of the group's properties, hotels and other investments down to realistic levels.

The acceptance of the rights issue represents a victory for 25 per cent shareholder Hongkong Land, the cash rich property investment arm of the colony's Jardine Matheson group.

Hongkong Land was the force behind the restructuring, which followed the appointment of its finance director to the Trafalgar board. The Jardine group has secured short-term credit lines for Trafalgar from HSBC Holdings, which has historically-strong bonds with the "princely hong". In August its control will be further demonstrated by the arrival of Mr Nigel Rich, Jardine's "taipan" – or managing director – as the new chief executive.

Limit makes £22m increase in commitments to Lloyd's

By Richard Lapper

London Insurance Market Investment Trust, the biggest of Lloyd's 21 corporate members, yesterday announced a £22m increase in its commitments to the Lloyd's insurance market.

Limit has raised £280m from institutional and retail investors and will provide backing for 101 syndicates managed by 33 managing agents and will provide nearly a third of the £1.6bn in Lloyd's capacity supplied by corporate capital.

The final allocation of £502.5m compares with £480.5m previously agreed with managing agents when Limit, which was sponsored by Samuel Montagu and James Capel, issued its listing particulars in November last year.

The managing agents to which additional capacity has been allocated are Wellington, Kiln, DP Mann, RGB, Spreckley Villers Burnhope and Venton. Limit is supporting three syndicates not included in its listing particulars.

Two of these – 1038 and 1184 – were previously part of the Merrett Group, whose Lloyd's underwriting interests were transferred to separate agencies late last year. The third new syndicate, 1215, was created through the recruitment of the underwriting team of 418, another Merrett syndicate.

Syndicate 1215, managed by Janson Green agency, may accept the reinsurance to the close of syndicate 418's 1991, 1992 and 1993 pure underwriting years but it will not assume responsibility for 418's underwriting liabilities in respect of 1990 and prior years.

The agency most favoured by Limit is Murray Lawrence, nine of whose syndicates have been allocated £50m of Limit's capacity. Other agencies favoured by Limit include the Brockbank Group (£45m) and Bankside Syndicates (£40m).

Williamson Tea ahead at £6.15m

Profits of Williamson Tea Holdings rose from £4.23m to £6.15m pre-tax for the six months to September 30. Turnover rose by £2.97m to £20.7m.

Directors said the results should not be taken as a guide to the full year because owing to its seasonal nature the tea crop is not harvested equally throughout the 12 months.

Adverse climatic conditions reduced the Indian crop but there were improvements in both Kenya and Tanzania.

Earnings emerged at 100.8p (74.33p) per share and the interim dividend is a same-again 10p.

The company is ultimately owned by George Williamson Holdings.

Hopkinsons shares fall on warning

Shares of Hopkinsons Group dipped 5p to 43p yesterday after Mr Bill Goodall, chairman of the industrial abrasives, plastic products and gas control equipment group, warned of a pre-tax deficit in the second half.

Hopes for improvements at Bryan Donkin Engineering and the Carborundum Abrasives operation in Germany had not been realised, he said. The group would, nevertheless, record a profit for the year before any provision for future restructuring costs. A cost reduction programme was being implemented and it expected to maintain the annual dividend.

The group is expanding its plastics side with the purchase of Scottish Foam's plastic injection division for £1m cash plus about £120,000 cash, dependent on stock valuation.

Terence Chapman acquires Synergo

By Alan Cane

Terence Chapman Associates, a privately held management consultancy based in the City, has come to the rescue of Synergo Technology, a small software house financially damaged by the Stock Exchange Taurus fiasco.

It has paid an undisclosed sum for the nine-year old London-based software house which supplies stockbroking, stock lending and settlement software products to brokers and institutional investors.

A profitable company with 100 staff and revenue of £3.5m in 1992, it was hard hit by the cancellation of Taurus, the Stock Exchange's proposed automated settlement system, in which it had invested £1.8m. Despite a respectable client list, the losses on Taurus left it with a severely weakened balance sheet.

The acquisition is Terence Chapman's first. For 1992-93 it had turnover in excess of £5m (£3.1m) and is planning to float within the next five years.

Terence Chapman said its interest in Synergo lay in the company's expertise in open and client-server systems. The two companies would operate independently of each other under a group structure.

SNC director poised to retire

Mr Anthony Abrahams, managing director of the UK marketmaking operations of Smith New Court, is to retire from his executive duties in April.

He will remain on the board as a non-executive director.

Yesterday Mr Abrahams sold 175,000 SNC shares at 415p each, while his wife Celia sold another 25,000 at the same price. The couple still own 106,027 shares.

Mr David Marks, currently deputy managing director, succeeds Mr Abrahams, while Mr Colin Taylor and Mr Adrian Pinkus become deputy managing directors.

CHC Helicopter lifts stake in Brintel to 90%

By Bernard Simon in Toronto

CHC Helicopter Corp of Newfoundland has lifted its stake in Brintel Holdings, the UK helicopter operator which was formerly part of Mr Robert Maxwell's business empire, from 40 per cent to 90 per cent.

CHC has also acquired the outstanding 50 per cent of the preference shares and plans to make an offer soon for the remaining ordinary shares, held by the employees.

The shares were bought from institutions and Brintel's management.

The total cost, assuming the offer to Brintel's employees is accepted, will be about C$36m (£18m).

Brintel, based in Aberdeen, was formed a year ago to acquire the assets of British International Helicopters from the administrator. In the 10 months to November 30 1993 revenues were C$75m for net profit of C$8m.

It operates 25 heavy and medium helicopters servicing North Sea oil rigs. It also provides simulator training for commercial and military helicopters, and operates a shuttle service between Penzance, Cornwall, and the Scilly Isles.

Ensign Trust sells 16.7% stake in Ivory & Sime

By James Buxton

Two Scottish groups now control significant stakes in Ivory & Sime, the quoted Edinburgh-based fund management company, following the sale of Ensign Trust's 16.7 per cent stake in the company.

Abtrust, the Aberdeen-based fund management group, has bought 2m shares in Ivory & Sime – amounting to a 6.9 per cent holding – on behalf of clients which include unit trusts and investment trusts under Abtrust's management.

Scottish Value Trust, an Edinburgh-based investment trust, has bought 1.8m shares, representing 6.3 per cent of the equity.

Ensign Trust, a company controlled by the Merchant Navy Officers Pension Fund, sold its 4.8m shares in Ivory & Sime after the fund manager lost contracts to manage investment portfolios controlled by the pension fund.

Other purchasers of the Ensign Trust stake have not identified themselves.

The sale of the Ensign Trust stake leaves Sumitomo Life of Japan as the biggest shareholder in Ivory & Sime, with 15 per cent.

Ash & Lacy buy

Ash & Lacy has paid about £600,000 cash for Walker Brothers (Galvanizing), a subsidiary of BB&EA. For the year to end-June 1993 Walker incurred a pre-tax loss of £200,000 on turnover of £2.8m.

NEWS IN BRIEF

ASSOCIATED Nursing Services: Offer for Broadwater Homes accepted in respect of 719,305 shares (57.82 per cent). ANS now controls 1.05m shares, representing 84.47 per cent. Offer remains open until January 21.

BANNER HOMES Group has received valid acceptances for its recent rights issue in respect of 3.55m new ordinary shares (98.4 per cent). Subscribers have been found for the balance at a premium of about 30p a share.

BODYCOTE International is buying the Mechanical Metrology Laboratory from the government's Defence Research Agency for an undisclosed sum.

ELECTROCOMPONENTS has, through its RS Components division, formed a 50:50 joint venture with the Control Group of New Delhi.

FKI subsidiary, Bristol Babcock, has received an order exceeding $5m (£3.3m) from El Paso Natural Gas, one of the largest gas pipeline companies in the US. The order is for the supply and installation of a radio-based SCADA system to automate the measurement and control of 1,300 gas wells primarily in the Farmington, New Mexico, region.

KELT Energy has completed its acquisition of the Cameroon upstream operations of Total, which include an interest in the producing Moudi oilfield, the floating export terminal, and a number of oil, gas and gas condensate discoveries. Kelt's equity will be equivalent to a 13.33 per cent revenue interest in all of the properties.

LIT HOLDINGS: Qualifying shareholders applying for more than their minimum entitlement in the recent 1-for-3 open offer will receive up to a maximum 1 further share for every 5.82m new ordinary shares deemed to be held at the close of business on record day.

OSSORY ESTATES has changed its name to Orb Estates.

ROYAL LIVER Assurance, one of the largest and longest established friendly societies, has announced its incorporation on January 1, under the Friendly Societies Act 1992. Funds under management total over £1bn.

SANDERSON MURRAY and Elder (Holdings) has changed its name to Sanderson Bramall Motor Group.

SERIF: of the 49.5m new shares offered in the recent rights issue some 28.8m shares, representing the renounced rights of John Pryke and certain members of his family and Ray Deeks, have been placed with institutional and other investors. Of the balance acceptances for 17.9m shares (86.6 per cent) were received.

TAY HOMES: the recent rights issue was accepted in respect of 7.09m new ordinary shares, some 97 per cent of the number offered.

TORDAY & CARLISLE is disposing of one of its long leasehold properties at Beeston, Leeds, for £500,000 in cash. The proceeds will be used to reduce debt.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Jersey Elect ....fin	24	Feb 25	24	37	36
Williamson Tea ....int	10	Mar 1	10	-	22.5

Dividends shown pence per share net.

NEWS DIGEST

Lofs agrees $50m bank facility

London & Overseas Freighters has reached agreement in principle with the Chase Manhattan Bank for $50m (£33.7m) of additional funds.

The new borrowings are to finance additional instalments of the purchase price for the London Glory and to help finance the purchase and upgrade on one or two additional tankers. Of the total some $5m may be used for general corporate purposes.

All amounts borrowed under the additional facility, other than to finance the London Glory, must be repaid prior to the delivery of the vessel but may be reborrowed for that purpose. Upon delivery of the London Glory all borrowings will convert to a term loan repayable over eight years.

Medeva and Proteus in joint venture

Medeva, the pharmaceuticals company, and Proteus International, the computer-aided molecular modelling group, have formed Beavermade, a 50:50 joint venture company.

Beavermade was created by the two companies to combine their expertise in the production of new synthetic vaccines and therapeutics for humans.

Initially it will concentrate on an oral hepatitis B vaccine and a new hepatitis C vaccine.

Glynwed buys RTZ Metal Stockholders

Glynwed, the Birmingham-based engineering group, is extending its European metals distribution business with the purchase of RTZ Metal Stockholders from RTZ, the minerals group.

It would not disclose the purchase price but said that RTZ Metal Stockholders had a net asset value of £5.3m.

Glynwed recently sold its metals distribution business in the US.

Regalian joint venture acquisition

Regalian Properties, through its joint venture with the Sincere Group of Hong Kong, is buying a terrace of houses in London for £1m.

It is intended to convert them into apartments and following a development period of 22 months a gross realisation of more than £5m is expected.

Yule Catto closes Dutch subsidiary

Yule Catto, the speciality chemicals and building products group, is to close Nijs en Vale, its wholly owned Dutch subsidiary, later this year following completion of its existing contracts.

Nijs en Vale, which makes architectural facades mainly in the Netherlands, incurred estimated operating losses of Fl 2.7m (£900,000) and an early return to profitability is not expected.

Closure costs are estimated at Fl 6.5m and about 70 jobs will be affected by the decision.

Yule Catto's 1993 results will make provision for Nijs en Vale's anticipated losses and will also reflect a £1.4m charge in respect of goodwill which arose on the acquisition and which had previously been set against reserves.

DSG International acquires Swaddlers

DSG International, a listed US-based company specialising in the manufacture and marketing of branded disposable nappies, has acquired Swaddlers, the manufacturer of Togs and Cares disposable nappies, from Angelini, Swaddlers' Italian parent.

The deal, for an undisclosed sum, will mean the closure of Swaddlers' plant in Gateshead, Tyne and Wear, and its relocation to Chesterfield, Derbyshire.

A third of Swaddlers' 90 employees will be offered transfers.

DSG nappy brands are sold in more than 20 countries; it has manufacturing plants in North America, Europe, East Asia and Australia.

North Sea Assets £1.35m purchase

North Sea Assets, through its HMB Subwork subsidiary, has acquired Scandive, a leading privately-owned Norwegian operator of remote operated vehicles, for £1.35m cash.

HMB is the largest British-owned operator of remote operated vehicles with a strong presence in the North Sea, west Africa and the Middle East.

Estates & General keeps banks' support

Estates & General, the property investor and developer, said that its bankers had agreed to provide continuing support to satisfy the company's cash requirements through to December 31 1994.

In September, the company reported reduced pre-tax losses of £1.53m for the six months to June 30. The comparable figure of £10.3m was after an exceptional provision of £7.4m.

The company also announced that it was entering negotiations for an extension to its banking facilities. In April it reached agreement for continuing support to December 31.

Wyko makes South African disposal

Wyko Group has disposed of Wyko Bearings & Electronics, its wholly owned South African subsidiary, to Hudaco Trading for approximately R10.72m (£2.1m) in cash.

The value of assets and liabilities disposed of is estimated at R11.22m as at December 31.

The company, which distributes bearings and power transmission components from 11 branches throughout South Africa, reported pre-tax profits of R348,646 for the year to April 30. Net assets at that date amounted to R5m.

Guardian Group funding plan

Guardian Group, the USM-traded building and environmental services company, is continuing with its plans to raise additional finance. It is also continuing with its plans to purchase the remaining divisions of its main shareholder, Guardian Foundations.

The company said that assuming these planned acquisitions, together with the purchase of a further unrelated company, were completed, the capitalisation of the group would increase considerably.

Guardian's shares were suspended on Tuesday at 6p pending publication of the 1993 accounts.

Banks fail to stop slide in Metallgesellschaft shares

By Christopher Parkes in Frankfurt

Metallgesellschaft's share price fell almost 20 per cent in Frankfurt yesterday following a turbulent [illegible] in which the loss-ridden group's shareholder banks pitted themselves against specula[illegible].

After a day's suspension to allow markets to [illegible] [illegible] of DM1.8bn ($1.1bn) last [illegible] and the [illegible] on creditor banks and shareholders for DM3.2bn in aid, the shares closed down DM52.50 on Wednesday's price [illegible] DM218. The price had fluctuated [illegible] DM202 [illegible] DM227.

Traders expected more erratic movements early [illegible] week, at least until Wednesday, when creditor banks [illegible] due [illegible] respond to rescue proposals prepared by the new management and Deutsche Bank [illegible] Dresdner Bank, the group's shareholder-cum-house banks.

Analysts believed the banks would provide the [illegible] backing, basing their judgment on the relatively modest loss in the [illegible] value yesterday. Traders said [illegible] banks were clearly supporting the stock to [illegible] sure [illegible] planned [illegible] share issue, priced at [illegible], remained practicable.

Longer-term prospects for the share price were unclear, although Mr Kajo Neukirchen, the new chairman, may [illegible] more indications of his restructuring plans [illegible] [illegible] conference, provisionally [illegible] for late next week.

Most interest is focused on a list [illegible] planned disposals [illegible] among the company's [illegible] [illegible] [illegible] which few clear details [illegible] yet appeared. Mr Neukirchen has undertaken [illegible] [illegible] payroll [illegible] by up [illegible] DM700m [illegible] year.

Mr Neukirchen has [illegible] [illegible] a [illegible] with [illegible] potential total [illegible] of DM3.3bn, including [illegible] possible DM1.5bn in [illegible] which may [illegible] incurred in unwinding New York oil futures positions.

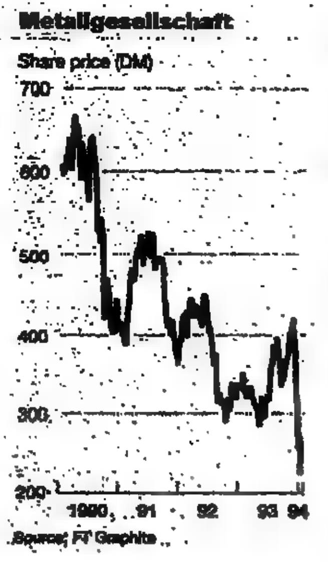
His predecessor, [illegible] Schimmelbusch, [illegible] just before Christmas, is under criminal investigation, it emerged yesterday. The Frankfurt public prosecutors [illegible] has [illegible] up [illegible] [illegible] following a complaint by [illegible] small [illegible].

Mr Schimmelbusch [illegible] [illegible] Meinhard Forster, [illegible] [illegible] [illegible] the [illegible] time, [illegible] being investi[illegible] [illegible] alleged breaches of [illegible] German Companies Act. [illegible] main complaint relates [illegible] their failure [illegible] report [illegible] [illegible] which [illegible] half the [illegible]pany's equity base.

[illegible] company formally announced [illegible] pre-tax deficit of DM347m for the year [illegible] the end of September.

Metallgesellschaft

Share price (DM)



Source: FT Graphite

Groupe Fournier in talks to buy laboratory

By John Ridding

Groupe Fournier, [illegible] pharmaceuticals, [illegible] [illegible] group, yesterday [illegible] [illegible] it was in an [illegible] [illegible] [illegible] negotiations concerning [illegible] acquisition of [illegible] of [illegible] pharmaceuticals activities [illegible] Pharmacia of Sweden.

The negotiations involve the purchase [illegible] pharmaceuticals operations of [illegible] [illegible] Laboratories, [illegible] division [illegible] Pharmacia, [illegible] [illegible] *formerly part of Sweden's Pro*[illegible] [illegible].

Groupe [illegible] [illegible] [illegible] planned acquisition was aimed [illegible] strengthening [illegible] position [illegible] the [illegible] pharmaceuticals market. Pierrel [illegible] [illegible] [illegible] [illegible] [illegible] would [illegible] [illegible] [illegible] Groupe [illegible] existing Italian interests, including [illegible].

[illegible] [illegible] from Groupe Fournier [illegible] [illegible] [illegible] [illegible] under-represented in Italy, Europe's [illegible] largest drugs [illegible]. It [illegible] [illegible] company regarded [illegible] [illegible] important strategic [illegible] [illegible] spite [illegible] the introduction of health [illegible] [illegible] [illegible] [illegible] reducing [illegible] [illegible] [illegible] [illegible] pharmaceu[illegible] expenditure.

Groupe Fournier [illegible] [illegible] of [illegible] FFr2.9bn [illegible] [illegible] [illegible], [illegible] [illegible] [illegible] of [illegible] [illegible] [illegible] its pharmaceuticals [illegible].

Renault sees profit despite downturn

By John Ridding in Paris

Renault, the French state-owned [illegible] group, should report a profit for [illegible] year [illegible] spite of [illegible] sharp downturn [illegible] the European [illegible] market, Mr Patrick Faure, [illegible] company's assistant managing director [illegible] yesterday.

Presenting sales figures for [illegible] year, Mr [illegible] [illegible] [illegible] decline [illegible] [illegible] European [illegible]ket, [illegible] [illegible] by [illegible] 2m vehicles, [illegible] have "a major financial impact [illegible] Renault's results". [illegible] he expected [illegible] small profit [illegible] still [illegible] [illegible] [illegible].

In 1992, Renault reported [illegible] profits of FFr5.7bn ($966m).

[illegible] Faure [illegible] he expected slight growth in the French and European car markets but cautioned that predictions were difficult as [illegible] markets had become [illegible] volatile.

Renault's total [illegible] of cars and light commercial vehicles [illegible] by about 12 per [illegible] [illegible] year [illegible] 1.76m units, while its [illegible] European [illegible] fell by 16.5 [illegible] [illegible] to 1.4m units. Mr [illegible] [illegible] [illegible] decline [illegible] [illegible] equivalent [illegible] [illegible] output of [illegible] [illegible] [illegible] factories, while [illegible] contraction [illegible] [illegible] European [illegible]ket [illegible] [illegible] whole, [illegible] 12.6m units, [illegible] equivalent [illegible] the output [illegible] a large [illegible] producer.

In spite of the depressed markets, the French group noted [illegible] bright spots. It [illegible] it had maintained its share of the European [illegible] car market [illegible] 10.6 [illegible] cent and had increased its share of the French market to [illegible] per cent from [illegible] [illegible] [illegible].

Renault's position in the small car market was strength[illegible] by the launch of the Twingo, which received [illegible] [illegible] between its launch in April and the [illegible] [illegible] [illegible] year. Together with the Clio and the Superfive, the Twingo prompted an increase in Renault's [illegible] of France's small car [illegible] to [illegible] per cent from [illegible] [illegible] [illegible]. In Europe, [illegible] UK [illegible] the only market [illegible] show an overall improvement last year and Renault increased its [illegible] there [illegible] 105,200 from 80,500. Italy, Spain and Portugal [illegible] the most difficult markets, with Renault suffering falls in sales and market share.

Renault [illegible] on the list of 21 publicly owned [illegible] [illegible] for privatisation by the French government. The sale of the government's [illegible] [illegible] [illegible] stake is scheduled for this year, in spite [illegible] [illegible] [illegible] [illegible] Renault's planned merger with Volvo which [illegible] meant to [illegible] [illegible] [illegible] the beginning of [illegible] month.

Pacific Telesis to cut 10,000 jobs

By Martin Dickson in New York

[illegible] Telesis, the [illegible] Francisco-based Baby Bell telephone company, is to take a $576m *fourth-quarter* [illegible] [illegible] cover a corporate restructuring [illegible] [illegible] eliminate 10,000 jobs by [illegible] [illegible] of [illegible].

[illegible] is the latest of several large job-cutting programmes announced in recent months by America's local telecommunications companies [illegible] [illegible] rivals [illegible] [illegible] at their tra[illegible] monopolies.

It [illegible] [illegible] spin-off [illegible] [illegible] [illegible] [illegible] last year of [illegible] Telesis's [illegible] communications [illegible] into a separately quoted company. The reserve, with additional charges of [illegible], will [illegible] fourth-quar[illegible] earnings by $1.58 a share.

The job [illegible] involve Pacific Bell, Pacific Telesis's most important business, which [illegible] [illegible] Californian telephone market. [illegible] plans [illegible] [illegible] 3,000 jobs in [illegible] and 7,000 [illegible] [illegible] [illegible] [illegible] three years. [illegible] subsidiary employs about [illegible] people.

Pacific [illegible] said the [illegible] formed part of a redesign of [illegible] [illegible] using a [illegible] [illegible] technique [illegible] [illegible] re-engineering, which involves [illegible] examination of [illegible] way [illegible] are performed.

It is instituting a cost-cutting programme, including [illegible] reduction [illegible] management levels and deferred executive salary [illegible].

"This will improve [illegible] services, meet [illegible] customers' need for lower prices [illegible] further [illegible] [illegible] for expanded competition," said Mr Phil Quigley, Pacific Bell's president.

[illegible] Bell announced two months [illegible] [illegible] [illegible] would spend [illegible] to [illegible] [illegible] multi-[illegible] communications superhighway [illegible] [illegible] territory – [illegible] [illegible] [illegible] largest network modernisation programmes announced by local US telephone companies.

Preussag rescues French metals division

By Christopher [illegible]

Preussag, the German engineering [illegible] [illegible] [illegible] [illegible] to prop up [illegible] ailing [illegible] subsidiary MetalEurop [illegible] [illegible] capital injection of between DM120m and DM150m ($71m-[illegible]).

In spite of [illegible] of a satisfactory group result for [illegible] even after allowing for MetalEurop's losses, Preussag's share price dropped [illegible] [illegible] [illegible] in Frankfurt yesterday.

The stock market [illegible] [illegible] sharpened by rumours of a FFr400m ($67.8m) [illegible] [illegible] [illegible] French subsidiary and uncertainty generated by [illegible] crisis [illegible] Metallgesellschaft, which [illegible] [illegible] [illegible] banks and shareholders to fund a bail-out package valued [illegible] DM3.2bn.

Preussag [illegible] [illegible] informa[illegible] [illegible] [illegible] [illegible] *of losses*, although [illegible] statement [illegible] MetalEurop [illegible] they would [illegible] markedly higher [illegible] [illegible] previous year's FFr167m because of rapidly falling prices for [illegible] and zinc, [illegible] main products.

The business [illegible] FFr142m in the red for the first six months of last year.

In return for the rescue, Preussag will take a [illegible] per cent [illegible] in [illegible] subsidiary's die-casting and galvanisation businesses in Germany.

The price of the stake will be [illegible] by independent audi[illegible].

Commerzbank seeks DM950m

By Christopher Parkes

Commerzbank, Germany's third-biggest stock market listed bank, yesterday unveiled plans for a DM950m ($559m) rights issue, sweetening the offer with a promise of a DM2 dividend increase to DM12 for 1993.

The bank attempted to sharpen appetites for the new shares with the promise that interesting business prospects in [illegible] financial services operations would have [illegible] favourable impact on 1994 results.

The issue, which [illegible] [illegible] smaller financing move early last year, will mean Commerzbank will increase equity capital to DM16bn and achieve its aim of raising the bank's capital-to-assets ratio to 5 per cent from 4.6 per cent in one step.

As on the occasion of the last rights issue, the latest issue is not supported by [illegible] full-year profits [illegible]. However, Mr [illegible] Kohlhaussen, chairman, was [illegible] [illegible] give an [illegible] preview [illegible] strong 1992 results [illegible] January, just days before [illegible] subscription period opened. [illegible] November, [illegible] announced profits ahead 52 per cent *for the first 10 months of 1993*.

Shareholders will be able to [illegible] [illegible] [illegible] year's [illegible] – [illegible] 1-for-10 at DM315 a share – between January 24 and February 7. The [illegible] [illegible] [illegible] be eligible [illegible] dividend payments from January 1994, the bank said in a [illegible].

Commerzbank stock [illegible] recently been trading at around DM380 compared with [illegible] 12-month peak [illegible] DM400, which [illegible] reached amid rumours of [illegible] possible takeover, and which [illegible] [illegible] company's [illegible] outperform [illegible] of other big banks.

However, all [illegible] [illegible] last [illegible] [illegible] [illegible] provi[illegible] against [illegible] [illegible]. They expect [illegible] [illegible] to feel [illegible] impact [illegible] recession. Moody's [illegible] [illegible] downgraded Commerzbank's long-term [illegible] rating [illegible] October.

Credit watch agencies *believe* [illegible] *corporate insolvencies* [illegible] increase by [illegible] [illegible] [illegible] [illegible] [illegible].

Commerzbank's DM2 dividend increase includes [illegible] DM1 payment attributable to [illegible] recent lowering [illegible] corporate [illegible] rates, which [illegible] [illegible] have said they will pass on to shareholders.

[illegible] [illegible] Berlin [illegible] [illegible] [illegible] price [illegible] [illegible] for [illegible] 5-for-8 rights issue. Bankgesellschaft Berlin comprises Berliner Bank, Berliner Hypotheken- und Pfandbriefbank and Landesbank [illegible].

All three banks expect [illegible]factory [illegible] for [illegible].

Skandia takes Spanish insurer

Skandia, the Swedish [illegible] [illegible], [illegible] [illegible] buy [illegible] outstanding [illegible] per cent of Spanish pension insurer Inter[illegible] [illegible] Seguros y Reaseguros, [illegible] Caja [illegible] Seguros [illegible] [illegible] (CASER), the Spanish insurance company, Reuter reports [illegible] Stockholm.

Intercaser was established through [illegible] joint-venture [illegible] [illegible] and CASER [illegible] 1980.

Skandia [illegible] the [illegible] was in line [illegible] [illegible] operating strategy [illegible] [illegible] [illegible] toward increasing emphasis [illegible] long-term insurance savings.

Caparo chief in Indian steel stamping venture

By Shiraz Sidhwa in New Delhi

Mr Swraj Paul, chairman of Caparo, [illegible] [illegible] steel group, yesterday signed an agreement [illegible] [illegible] Udyog, [illegible] [illegible] car manufacturer [illegible] [illegible] Techno Sales, a [illegible] plastic auto-parts maker, [illegible] set up a Rs400m ($12.7m) [illegible] metal stamping shop near [illegible].

Mr [illegible] [illegible] own 60 per cent of Caparo Maruti, [illegible] [illegible] Udyog [illegible] [illegible] Techno Sales, a [illegible] joint-venture [illegible], will [illegible] hold 20 per cent.

[illegible] new [illegible], due to [illegible] production in April [illegible], [illegible] [illegible] [illegible] [illegible] [illegible] joint venture complex [illegible] Gurgaon, [illegible] [illegible] Delhi. It will aug[illegible] *Maruti's steel metal* pressing capacity [illegible] [illegible] [illegible] [illegible] [illegible] line, possibly rising [illegible] [illegible] tonnes.

[illegible] [illegible] [illegible] [illegible] investment that Mr Paul, a London-based non-resident Indian industrialist, has made in India.

Maruti, [illegible] joint venture between the Indian government and Suzuki Motor of Japan, plans to increase production to 230,000 cars by [illegible]. The company, until recently wholly government-owned, achieved [illegible] turnover of Rs22.32bn last year.

Caparo has steel stamping plants in Spain [illegible] in the UK.

Indonesian hotel group to go public

PT [illegible] [illegible] Indonesia, [illegible] [illegible] [illegible] [illegible] [illegible] the Garden Palace Hotel in Surabaya, [illegible] Java, [illegible] to [illegible] public, Reuter reports from [illegible].

The [illegible] [illegible] [illegible] [illegible] 27.3 per cent of [illegible] paid-up capital for public subscription. It will offer 15m shares at Rp2,700 each from January 12, and be listed on the Jakarta stock exchange [illegible] month, [illegible] [illegible]pany said.

The proceeds [illegible] be [illegible] [illegible] fund the partly-built Garden Tower, an apartment and shopping [illegible] in Surabaya, and [illegible] retire [illegible] group short-term borrowings.

FT - SE Actuaries Share Indices - Quarterly Valuation

Old classifications	Market cap. as at 31/12/93 (£m)	% of All-Share Index	Market cap. as at 30/9/93 [illegible]	% of All-Share Index	Market cap. as at 31/12/92(£m)	% of All-Share Index
FT-SE 100 †	553,284.99	73.08	489,000.00	72.38	447,000.00	75.2
FT-SE Mid 250 †	157,510.88	20.81	144,000.00	21.24	116,000.00	19.5
FT-SE Mid 250 ex. Inv. Trusts †	141,007.08	18.63	130,000.00	19.16	-	-
FT-SE A 350 †	710,795.87	93.89	633,000.00	93.62	563,000.00	94.7
FT-SE SmallCap †	46,244.70	6.11	43,000.00	6.38	31,200.00	5.3
FT-SE SmallCap ex Inv. Trusts †	38,091.74	5.03	36,000.00	5.30	26,200.00	4.4
FT-A ALL-SHARE	757,040.57	100.0	676,074.15	100.0	594,374.08	100.0
1 CAPITAL GOODS (216)	110,378.53	14.58	100,476.22	14.86	77,916.77	13.11
2 Building Materials (28)	23,007.20	3.04	19,362.46	2.86	12,399.68	2.09
3 Contracting Construction (29)	6,562.48	0.87	5,627.79	0.83	3,777.91	[illegible]
4 Electricals (15)	3,105.42	0.41	3,262.76	0.48	2,505.58	0.42
5 Electronics (39)	16,927.62	2.24	17,072.70	2.53	15,133.66	[illegible]
6 Engineering-Aerospace (7)	5,564.81	0.74	5,136.71	0.76	3,251.35	[illegible]
7 Engineering General (46)	13,287.44	1.75	11,955.51	1.77	10,146.33	1.71
8 Metals and Metal Forming (9)	4,712.90	0.62	4,601.59	0.68	3,038.28	0.51
9 Motors (20)	7,279.92	0.96	6,359.73	0.94	5,023.82	0.85
10 Other Industrials (20)	29,927.84	3.95	27,096.98	4.01	24,639.19	4.15
21 CONSUMER GROUP (249)	245,525.56	32.43	220,544.95	32.62	219,569.49	[illegible]
22 Brewers and Distillers (28)	40,464.40	5.35	34,878.03	5.16	39,445.11	[illegible]
25 Food Manufacturing (24)	26,601.59	3.51	24,580.94	3.64	23,910.38	[illegible]
26 Food Retailing (17)	20,745.44	2.74	20,539.15	3.04	24,882.25	[illegible]
27 Health and Household (31)	55,659.66	7.35	51,432.56	7.60	54,845.13	[illegible]
29 Hotels and Leisure (21)	16,972.18	2.24	15,457.73	2.29	13,355.57	2.25
30 Media (34)	26,798.62	3.54	22,991.61	3.40	18,074.02	[illegible]
31 Packaging and Paper (27)	10,038.45	1.33	9,001.56	1.33	7,331.69	1.23
34 Stores (41)	[illegible]	5.84	37,676.14	5.57	33,112.46	[illegible]
35 Textiles (20)	4,003.49	0.53	3,966.03	0.59	3,511.62	0.59
40 OTHER GROUPS (144)	182,934.49	[illegible]	165,111.41	24.42	149,483.11	[illegible]
41 Business services (27)	11,403.88	1.51	10,696.62	1.58	9,808.76	[illegible]
42 Chemicals (24)	16,059.59	[illegible]	[illegible]	2.24	17,843.69	[illegible]
43 Conglomerates (11)	20,549.20	[illegible]	19,127.60	2.83	17,434.76	[illegible]
44 Transport (16)	20,560.59	2.72	17,201.51	2.54	14,372.04	2.42
45 Electricity (17)	31,690.04	4.19	25,922.19	3.84	19,689.21	[illegible]
46 Telephone Networks (4)	[illegible]	6.26	42,210.74	6.25	37,295.37	6.27
47 Water (13)	[illegible]	1.87	12,446.53	1.84	11,057.74	[illegible]
48 Miscellaneous (32)	[illegible]	2.79	22,332.67	3.30	21,980.34	3.70
49 INDUSTRIAL GROUP (609)	538,838.58	71.18	486,132.58	71.90	446,967.31	[illegible]
51 Oil and Gas (17)	64,982.48	8.58	60,679.94	8.98	50,860.01	[illegible]
59 "500" SHARE INDEX (626)	603,821.06	79.76	546,812.52	80.88	497,827.32	[illegible]
61 FINANCIAL GROUP (93)	128,834.41	17.02	108,157.09	16.00	79,864.00	[illegible]
62 Banks (9)	73,557.94	9.72	57,646.58	8.53	43,552.10	[illegible]
65 Insurance (Life) (6)	11,549.36	1.53	11,230.40	1.66	9,480.02	1.59
66 Insurance (Composite) (6)	14,758.29	1.95	13,586.17	[illegible]	11,046.20	[illegible]
67 Insurance Brokers (10)	2,928.72	0.39	2,860.67	0.42	2,440.03	[illegible]
68 Merchant Banks (8)	5,600.91	0.74	4,942.66	0.73	3,036.56	[illegible]
69 Property (30)	14,579.63	1.92	12,752.58	1.89	6,991.90	1.18
70 Other Financial (24)	5,859.56	0.77	[illegible]	[illegible]	3,417.18	[illegible]
71 Investment Trusts (110)	24,385.10	3.22	21,104.54	3.12	16,562.76	[illegible]
99 FT-A ALL-SHARE (828)	757,040.57	100.0	676,074.15	100.0	594,374.08	[illegible]

† Figures rounded due to slight pricing inconsistencies.

New classifications	Market cap. as [illegible] 31/12/93 [illegible]	% [illegible] [illegible]-Share [illegible]
FT-SE 100	553,284.99	73.08
FT-SE Mid 250	157,510.88	20.81
FT-SE Mid 250 ex. Inv. Trusts	141,007.03	18.63
FT-SE A 350	710,795.87	[illegible]
FT-SE SmallCap	46,244.70	6.11
FT-SE SmallCap ex Inv. Trusts	38,091.74	5.03
FT-SE-A ALL-SHARE	757,040.57	100.00
10 MINERAL EXTRACTION (20)	59,939.30	7.92
12 Extractive Industries (5)	10,268.19	1.36
15 Oil, Integrated (3)	45,379.15	5.99
16 Oil Exploration & Prod (12)	4,291.96	[illegible]
20 GEN MANUFACTURERS (267)	146,206.27	19.31
21 Building & Construction (29)	6,562.48	[illegible]
22 Building Matls & Merchs (29)	23,199.21	3.06
23 Chemicals (21)	15,921.21	2.10
24 Diversified Industrials (16)	37,842.39	5.00
25 Electronic & Elect Equip (34)	16,800.06	2.22
26 Engineering (75)	25,359.15	3.35
[illegible] Engineering, Vehicles (12)	5,633.06	0.74
28 Printing, Paper & Pckg (26)	10,138.33	1.35
29 Textiles & Apparel (25)	4,690.36	0.62
30 CONSUMER GOODS (92)	140,676.26	[illegible]
31 Breweries (17)	13,727.31	1.81
32 Spirits, Wines & Ciders (11)	26,737.08	3.53
33 Food Manufacturers (26)	[illegible]	3.57
34 Household Goods (11)	3,599.94	[illegible]
36 Health Care (17)	4,759.93	[illegible]
37 Pharmaceuticals (10)	47,798.19	[illegible]
38 Tobacco (1)	17,035.73	2.25
40 SERVICES (206)	148,426.99	19.61
[illegible] Distributors (24)	7,663.22	1.01
42 Leisure & Hotels (21)	16,972.18	2.24
43 Media (35)	26,692.79	3.53
44 Retailers, Food (16)	20,339.98	2.69
45 Retailers, General (43)	44,756.57	5.91
48 Support Services (38)	10,045.12	[illegible]
49 Transport (16)	20,211.21	2.67
[illegible] Other Services & Business (12)	1,715.94	[illegible]
60 UTILITIES (36)	108,572.24	14.34
62 Electricity (17)	31,690.04	4.19
64 Gas Distribution (2)	15,311.37	[illegible]
66 Telecommunications (4)	47,394.35	[illegible]
68 Water (13)	14,176.48	1.87
[illegible] (620)	603,821.06	[illegible]
70 [illegible] (93)	128,834.41	17.02
[illegible] Banks (10)	73,656.04	9.73
73 Insurance (18)	17,887.01	[illegible]
[illegible] Life Assurance (6)	11,549.36	[illegible]
75 Merchant Banks (6)	5,600.90	0.74
77 Other Financial (23)	5,761.46	0.76
[illegible] Property (30)	14,579.64	1.92
80 INVESTMENT TRUSTS (110)	24,385.10	3.22
89 FT-SE-A ALL-SHARE (823)	757,040.57	[illegible]

† Figures rounded due to slight pricing inconsistencies.

Because of the change to the All-Share industry classification, the end-year figures in this table have been prepared in two ways. The figures above are drawn up using the classification in force till the close of trading on December [illegible] 1993. Those on the right show how the figures would have looked under the new classification, which came into effect on January 4 1994.

LONDON RECENT ISSUES

Newly issued shares appear for between four and six weeks in the London Recent Issues table. At the end of this period, a stock is normally moved to the appropriate category of the London Share Service if the company so requests.

In the full weekday editions of the FT, published on Tuesday to Friday mornings, the table appears on the half page of London Market Statistics that also includes the FT-Actuaries Fixed Interest Indices and London traded options prices.

On Saturdays it appears on the UK Company News page, and on Mondays on the Currencies, Money & Capital Markets page.

COMMODITIES AND BOND PRICES

WEEK IN THE MARKETS

Gold price fails to hold gains

The gold market was left treading water [redacted] week after a buying [redacted] proved insufficient to buoy the metal's price *to the $400-a-troy-ounce level.*

Having begun the new [redacted] with a $3.50 jump, aided by a strong rise in silver, the [redacted] price added another $2.35 [redacted] Wednesday to reach a five-month peak [redacted] ounce. But the two-day advance [redacted] wiped out on Thursday as computer programmes used by some [redacted] institutional investors [redacted] out [redacted] unanimous "sell" signals.

The fall, which took [redacted] price to [redacted] an ounce at one point, was seen by [redacted] lysts as representing merely [redacted] badly-needed [redacted] for breath before a fresh [redacted] on the $400 barrier. However, Mr Ted Arnold, analyst [redacted] Merrill Lynch financial services [redacted] warned that physical demand [redacted] gold was "dropping like [redacted] stone".

The price recovered [redacted] close yesterday [redacted] $388.25 an ounce, down [redacted] week, but dealers [redacted] the [redacted] news agency [redacted] resistance [redacted] building [redacted] "What we are seeing now is the differ[redacted] between dealers' ambi[redacted] for [redacted] new year and what the market can actually do," [redacted] one.

The silver market, which [redacted] been pushed sharply higher [redacted] ris-ings in Mexico, also surren[redacted] gains, [redacted] price in London ending [redacted] ounce, down [redacted] on [redacted] week.

News [redacted] big [redacted] in London Metal Exchange warehouse stocks pushed [redacted] and zinc prices still lower yesterday, after both [redacted] had already sustained substantial falls [redacted] lier in [redacted] week.

Last [redacted] end-year profit-taking in [redacted] copper market spilled [redacted] into Tuesday's trading, when the three months price fell $36 [redacted] a tonne. A $17 bounce on the following day had [redacted] wiped out by yesterday's close.

Defying the downtrend was aluminium, which shrugged [redacted] of another LME stocks [redacted] rise $3 yesterday to $1,149.50 a tonne in the three months position, up [redacted] on [redacted] week. Dealers explained that buyers [redacted] being encouraged by hopes of [redacted] at the [redacted] *multilateral meeting* [redacted] stemming the Russian aluminium supply glut, which is scheduled [redacted] be held in [redacted] later this month.

A depressed week for cocoa prices ended with further losses yesterday in response to [redacted] of an imminent devaluation of [redacted] franc, [redacted] currency of, [redacted] others, [redacted] Ivory Coast, the world's biggest cocoa producer. At the London Commodity Exchange the May futures price dipped to £893 a tonne at one stage, [redacted] ending the day [redacted] £906, down £23 [redacted] the week and $40 [redacted] Tuesday's peak.

LCE coffee futures fared somewhat better, the March position closing yesterday at $1,194 a tonne, down £5 [redacted] day [redacted] week, [redacted] trading between $1,181 and $1,209.

Seasonal cheer [redacted] to the oil market, which [redacted] 5-year lows. A change of sentiment [redacted] the London [redacted] Petroleum Exchange's March Brent blend futures position climb to [redacted] high of $14.51 a barrel [redacted] easing [redacted] $14.33 [redacted] trading yesterday, still up [redacted] week.

[redacted] Nauman Barakat, [redacted] vice-president for [redacted] futures with Merrill Lynch in New York, told Reuter that market psychology [redacted] changed in [redacted] short-term and speculators [redacted] "buying dips rather [redacted] selling rallies".

Richard Mooney

LME [redacted]		
[redacted] Thursday's [redacted]		
Aluminium	+3,525	[redacted] 2,491,900
Aluminium [redacted]	[redacted]	[redacted]
Copper	[redacted]	[redacted]
Lead	-2,175	[redacted]
Nickel	+1,188	[redacted]
Zinc	[redacted]	to [redacted]
Tin	-845	to [redacted]

WEEKLY PRICE CHANGES

	Latest prices	Change on week	[redacted] ago	1993/1994 High	1993/1994 Low
Gold per troy oz.	$388.25	-2.5	$329.25	$405.75	$326.05
Silver per troy oz	344.25p	-1	240.50p	362.50p	236.00p
Aluminium 99.7% (cash)	$1133	+25	$1164.5	$1240.00	$1023.50
Copper Grade A (cash)	$1731.5	-36.75	$1539.0	$2375.00	$1108.50
Lead (cash)	$450.5	-13	$289	$467.50	$361.50
Nickel (cash)	$5230	-92.5	$6172.5	$6340	$4043.5
Zinc SHG (cash)	$972.5	-28.75	$1056	$1112	$868.0
Tin (cash)	$4712.5	-37.5	$5685	$6047.5	$4340.0
Cocoa Futures Mar	£885	-22	£703	£1061	£683
Coffee Futures Mar	$1195	-3	$950	$1297	$636
Sugar (LDP Raw)	$267.6	-2.2	$204.6	$317.4	$204.5
Barley Futures Mar	£105.70	+0.15	£133.25	£110.30	£101.50
Wheat Futures Mar	£100.65	-	£136.40	£149.45	£99.30
Cotton Outlook A Index	60.55c	-1.9	56.75c	62.35c	54.15c
Wool (64s Super)	347p	+5	369p	405p	319p
Oil (Brent Blend)	$14.34x	-	-	$19.53	$13.64

Per tonne unless otherwise stated. p Pence/kg. c Cents lb. x Feb.

BASE METALS

LONDON METAL EXCHANGE

[redacted] from [redacted] Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1132.5-33.5	1149-50
Previous	1128.5-29.5	1146-47
High/low	1132.5	1161/1141
AM Official	[redacted]	1146.5-47
[redacted] close		1160-61
Open int.	286,408	
Total daily turnover	42,579	

■ ALUMINIUM ALLOY ($ per tonne)

Close	975-80	1000-02
Previous	975-77	998-1000
High/low		[redacted]
AM Official	975-980	1000-03
[redacted]		1002-04
Open int.	[redacted]	
[redacted] daily turnover	[redacted]	

■ LEAD ($ per tonne)

Close	460-61	473-74
Previous	458-59	471-72
High/low	455.5	[redacted]
AM Official	[redacted]	[redacted]
Kerb close		478-79
Open int.	31,564	
Total daily turnover	[redacted]	

■ NICKEL ($ per tonne)

Close	5225-35	5285-90
Previous	5235-45	5295-300
High/low	[redacted]	[redacted]
AM Official	5206-07	5265-70
Kerb close		5285-90
[redacted] int.	62,906	
Total daily [redacted]	6,126	

■ TIN ($ per tonne)

Close	4710-15	4755-60
Previous	4795-805	4835-40
High/low		4730/4750
AM Official	4715-20	4760-65
Kerb close		4760-65
Open int.	18,839	
[redacted] daily turnover	3,181	

■ ZINC, special high grade ($ per tonne)

Close	972-73	991-92
Previous	977-78	996-97
High/low		994/986
[redacted] Official	[redacted]	[redacted]
[redacted]		992-93
Open int.	100,818	
Total daily turnover	[redacted]	

■ COPPER, grade A ($ per tonne)

Close	1731-32	1748-49.5
Previous	[redacted]	1754-55
High/low	[redacted]	1753/1737
AM Official	[redacted]	1740-41
Kerb close		[redacted]
Open int.	246,690	
Total daily [redacted]	45,144	

■ LME AM Official £/$ rate: 1.4930

LME Closing £/$ rate: [redacted]

[redacted] 3 mths:1.4827 [redacted] 9 mths:1.4735

■ HIGH GRADE COPPER (COMEX)

	[redacted]	Day's [redacted]	[redacted]	low	Open [redacted]	Vol
[redacted]	78.25	-1.15	[redacted]	[redacted]	1,284	241
Feb	78.40	-1.20	[redacted]	78.30	[redacted]	50
Mar	78.80	-1.25	80.00	78.60	[redacted]	[redacted]
Apr	78.80	-1.25	[redacted]	79.35	[redacted]	[redacted]
[redacted]	79.00	-1.25	80.30	[redacted]	8,153	[redacted]
Jun	[redacted]	-1.25	-	-	853	31
Total					[redacted]	8,692

PRECIOUS METALS

■ [redacted] MARKET

[redacted] supplied by [redacted] Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	388.00-388.50	
Opening	390.30-390.70	
Morning fix	390.70	263.267
Afternoon fix	390.50	262.345
Day's High	391.70-392.10	
Day's Low	386.25-386.75	
Previous close	388.50-389.00	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month ....2.86 6 months 2.85

2 months ....2.84 12 months 2.89

3 months 2.84

Silver Fix	p/troy oz.	US cts equiv.
Spot	344.25	511.00
3 months	348.50	514.70
6 months	353.60	519.10
1 year	360.55	528.10

Gold Coins	$ price	£ equiv.
Krugerrand	392-395	264-267
Maple Leaf	398.05-400.55	-
New Sovereign	91-94	61-64

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

■ [redacted] NYMEX (100 Troy oz.; $/troy oz.)

■ [redacted] COMEX (100 Troy oz.; $/troy oz.)

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

■ CRUDE OIL IPE ($/barrel)

■ HEATING OIL NYMEX (42,000 US galls; c/US galls.)

■ GAS OIL IPE ($/tonne)

■ NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu)

■ UNLEADED GASOLINE NYMEX (42,000 US galls; c/US galls.)

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

■ WHEAT CBT (5,000 bu min; cents/60lb bushel)

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

■ BARLEY LCE (£ per tonne)

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

■ SOYABEAN MEAL CBT (100 tons; $/ton)

■ POTATOES LCE (£/tonne)

■ FREIGHT (BIFFEX) LCE ($10/index point)

SPICES

Nutmeg and mace prices were firmer, reflecting new advisory prices issued by AEPA, the Indonesian exporters association, reports Man Producten. Spot europe bwps were quoted at US$1,450 a tonne, shrivels at $1,700, abcds at $1,800 and mace at $3,000. Shipments were $100/150 higher. Grenadan nutmeg prices were unchanged. Indonesian cassia values were easier with ko/va sticks at $2,300 [redacted] tonne, spot, and $2,150, shipment, and kb br/cl $1,600, spot, and $1,475 shipment. There was discounting on later shipments. Madagascan cinnamon was on offer at FFr6.70 a kilogram and Seychelles at $1,400, cif. Pimento prices were weaker. Mexican spot was at $2,000 a tonne and shipment between $1,700 and $1,750, fob Mexico. Jamaican pimento was at $2,300 a rtonne, spot, and $2,150, cif, shipment.

SOFTS

■ COCOA LCE (£/tonne)

■ COCOA CSCE (10 tonnes; $/tonnes)

■ COCOA (ICCO) (SDR's/tonne)

■ COFFEE LCE ($/tonne)

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

■ COFFEE (ICO) (US cents/pound)

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

■ WHITE SUGAR LCE ($/tonne)

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

■ COTTON NYCE (50,000lbs; cents/lbs)

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

Jan	[redacted]	+0.65	[redacted]	[redacted]	784	158
Mar	[redacted]	+1.05	113.25	[redacted]	[redacted]	[redacted]
May	114.05	+1.10	[redacted]	[redacted]	2,664	132
[redacted]	[redacted]	+1.20	117.75	115.60	1,110	[redacted]
Sep	117.85	+1.35	[redacted]	[redacted]	664	2
[redacted]	[redacted]	+1.35	0	0	148	-
Total					16,615	1,793

VOLUME [redacted]

Open [redacted] and [redacted] data shown [redacted] contracts traded [redacted] COMEX, NYMEX, [redacted] CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

[redacted] 7	[redacted]	[redacted]	year ago
[redacted]	1666.5	1660.6	1715.2

■ CRB (Base: 4/9/56=100)

[redacted] 6	Jan 5	month ago	year ago
[redacted]	226.74	-	202.36

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open Int	Vol
Feb	73.750	+.550	73.850	73.400	[redacted]	16,128
Apr	76.275	+.400	76.300	75.900	20,113	4,108
Jun	74.700	+.125	74.850	74.450	10,830	2,302
Aug	73.725	+.175	73.825	73.475	8,846	[redacted]
Oct	73.700	+.175	73.825	73.500	4,238	378
Dec	74.300	+.150	74.400	[redacted]	[redacted]	90
Total					84,330	19,884

■ LIVE HOGS CME (40,[redacted]; cents/lbs)

Feb	46.700	+.050	[redacted]	46.350	12,018	4,022
Apr	48.475	+.175	48.600	48.100	[redacted]	[redacted]
Jun	[redacted]	[redacted]	54.000	53.650	5,751	1,084
Jul	53.575	0.225	53.900	53.500	2,382	437
Aug	[redacted]	0.050	52.300	51.975	1,866	[redacted]
Oct	49.125	[redacted]	49.400	[redacted]	904	142
Total					31,606	8,534

■ PORK BELLIES CME (40,000lbs; cents/lbs)

Feb	56.700	1.175	58.150	56.600	5,307	2,490
[redacted]	57.375	1.100	[redacted]	57.350	[redacted]	340
[redacted]	58.525	[redacted]	59.650	58.500	1,900	211
Jul	59.325	1.175	60.400	59.150	[redacted]	[redacted]
Aug	58.025	0.475	[redacted]	56.625	262	[redacted]
Total					[redacted]	[redacted]

LONDON TRADED OPTIONS

Strike price [redacted] tonne	Calls		Puts	
■ ALUMINIUM (99.7%) LME	[redacted]	Jun	[redacted]	Jun
1125	54	77	22	29
1150	40	63	33	40
1175	28	50	46	52
■ COPPER (Grade A) LME	[redacted]	[redacted]	Mar	Jun
1700	80	[redacted]	32	[redacted]
1750	[redacted]	[redacted]	54	[redacted]
1800	32	58	[redacted]	87
■ COFFEE LCE	Mar	May	Mar	May
1150	69	95	24	52
1200	[redacted]	69	48	76
1250	23	50	78	[redacted]
■ COCOA LCE	[redacted]	May	[redacted]	May
900	28	[redacted]	40	47
925	20	[redacted]	[redacted]	62
950	10	34	75	78
■ BRENT CRUDE IPE	[redacted]	[redacted]	[redacted]	Feb
1400	2	[redacted]	-	8
1450	3	10	-	27
1500	-	3	-	59

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb) +or-

Dubai	[redacted]	[redacted]
Brent Blend (dated)	14.58-4.60	-0.18
Brent Blend (Feb)	14.33-4.35	-0.16
W.T.I. (1pm est)	15.37-5.39w	-0.13

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

[redacted]	[redacted] 150	[redacted]
Gas Oil	[redacted]	[redacted]
Heavy Fuel Oil	58-60	+1
[redacted]	131-133	+1
Jet [redacted]	168-170	+1.5

Petroleum Argus Estimates

■ [redacted]

Gold (per troy oz)♣	$388.25	-0.50
Silver (per troy oz)♣	505.5c	-2
[redacted] (per troy oz.)	[redacted]	[redacted]
[redacted] (per [redacted])	[redacted]	
Copper (US prod)	[redacted]	
Lead [redacted]	[redacted]	
Tin ([redacted] Lumpur)	[redacted]	[redacted]
Tin (New York)	221.50	
Zinc (US Prime [redacted])	Unq.	
[redacted] (live [redacted])	120.54p	+2.17*
[redacted] (live weight)†♣	102.49p	[redacted]
Pigs (live [redacted])	82.43p	82.43*
Lon. day sugar (raw)	$267.5	
Lon. day sugar (wte)	$287.5	
Tate [redacted] Lyle export	[redacted]	+0.5
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	£129.0z	
Wheat (US Dark North)	£175.0	
Rubber (Feb)♥	60.75p	-0.5
Rubber (Mar)♥	61.00p	-0.5
[redacted] RSS No1 Feb)	214.00m	
Coconut Oil (Phil)§	$612.5x	-12.5
Palm Oil (Malay.)§	$412.5z	-5
Copra (Phil)§	$432.5	
Soyabeans (US)	£207.0y	
Cotton 'A' Index	60.55c	+0
Wooltops (64s [redacted])	[redacted]	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y [redacted] Jan/Mar. v Sep/Oct. t Dec/Jan. x Feb/Mar [redacted]. § CIF Rotterdam. [redacted] market close. ♦ Sheep [redacted] weight prices). * Change on week, provisional prices.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		10.000	[redacted]	[redacted]	-0.080	6.67	[redacted]	[redacted]
Belgium		9.000	03/03	[redacted]	[redacted]	6.46	[redacted]	[redacted]
Canada *		7.500	[redacted]	[redacted]	[redacted]	6.53	[redacted]	6.69
Denmark		8.000	05/03	[redacted]	+0.600	[redacted]	6.12	6.32
France	[redacted]	[redacted]	[redacted]	110.1100	[redacted]	[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]	[redacted]	107.9100	[redacted]	5.71	[redacted]	[redacted]
Germany		6.000	[redacted]	102.9500	+0.150	5.59	[redacted]	[redacted]
Italy		[redacted]	[redacted]	[redacted]	[redacted]	8.89†	[redacted]	[redacted]
Japan	No 119	[redacted]	[redacted]	111.7320	-0.110	2.37	2.37	[redacted]
	No 157	[redacted]	[redacted]	110.7910	[redacted]	3.03	[redacted]	[redacted]
Netherlands		[redacted]	[redacted]	[redacted]	+0.360	[redacted]	[redacted]	5.79
Spain		[redacted]	10/03	[redacted]	-0.100	8.20	[redacted]	[redacted]
UK Gilts		[redacted]	[redacted]	114-10	+7/32	[redacted]	5.81	[redacted]
		8.000	06/03	112-28	+20/32	[redacted]	6.10	6.43
		9.000	10/08	[redacted]	[redacted]	6.47	[redacted]	6.73
US Treasury *		5.750	08/03	100-14	+33/32	[redacted]	[redacted]	[redacted]
		6.250	08/23	[redacted]	[redacted]	[redacted]	6.34	[redacted]
ECU (French Govt)		8.000	04/03	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

London closing. *New York mid-day. Yields: Local market [redacted]

† Gross annual yield (including withholding tax at [redacted] per cent payable by nonresidents)

Prices: US, UK in 32nds, others in decimal [redacted]

ECONOMIC DIARY - FORWARD EVENTS

TODAY: [redacted] Bill Clinton, US president, departs on trip [redacted] Brussels, Prague, Moscow, [redacted] and Geneva. Mr Tsutomu Hata, Japan's foreign minister, [redacted] visit [redacted] China. [redacted] Asean tourism forum opens in Singapore (until January 14).

[redacted] Credit business (November). Balance of [redacted] (October). Housing [redacted] and completions (November). [redacted] renovations (third quarter). Summit of [redacted] in [redacted] (until January 11). Swedish government [redacted] budget proposals for [redacted] Air Afrique nations [redacted] in Dakar [redacted] discuss airline's future.

TUESDAY: Advance [redacted] statistics (November). Euro[redacted] Union/US high-level *twice-yearly meeting* in Brussels. European Monetary Insti[redacted] council [redacted] for the [redacted] in Frankfurt. [redacted] Rus[redacted] parliament holds [redacted] first session. [redacted] of Commons returns.

WEDNESDAY: Index of production and construction [redacted] Wales (third quarter). Prices [redacted] agricultural land in [redacted] (third quarter). Agricultural land prices in [redacted] Overseas travel and tourism (October). Labour market statistics: unemployment and unfilled [redacted] (December-provisional); average earnings indices (November-provisional); employment, hours, productivity and unit wage costs; industrial disputes. Welsh [redacted] government finan[redacted] No.17 1993. European Union monetary commit[redacted] in Brussels. US producer prices index (December). Italian parliament [redacted] in [redacted] government.

THURSDAY: Details [redacted] employment, unemployment, earnings, prices [redacted] indicators. US retail sales (December); consumer prices *(December)*; [redacted] earnings (December).

FRIDAY: [redacted] production (December). Capital [redacted] and redemptions (December). Environment ministers from 17 nations, including US, hold informal three-day [redacted] on global [redacted] in Agra (until January 16).

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH [redacted] FUTURES (MATIF)

	Open	Sett price	Change	[redacted]	Low	[redacted]	[redacted]
Mar	[redacted]	[redacted]	[redacted]	130.78	[redacted]	[redacted]	[redacted]
Jun	[redacted]	[redacted]	[redacted]	130.20	129.70	1,119	[redacted]
Sep	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2	636

■ [redacted] FRENCH BOND [redacted] (MATIF)

Strike Price: 127, 128, 129, 130, 131, 132 — CALLS Feb / Mar / Jun, PUTS Feb / Mar / Jun

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	100.85	101.17	+0.34	101.20	100.71	[redacted]	[redacted]
Jun	100.73	101.12	+0.34	101.05	[redacted]	867	1299

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
119	1-37	2-04	0-53	[redacted]
120	1-02	1-37	1-18	[redacted]
121	0-40	1-13	1-56	3-09

Est. vol. total, Calls 1523 Puts 2347. Previous day's open int., Calls 63312 Puts 44511

Ecu

■ ECU BOND FUTURES (MATIF)

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	[redacted]	[redacted]	High	[redacted]	Est. vol.	[redacted] int.
Mar	114-18	115-17	+1-00	115-21	[redacted]	[redacted]	[redacted]
Jun	113-10	114-18	+1-00	114-18	[redacted]	846	[redacted]
Sep	112-08	113-15	+0-31	113-17	112-03	63	[redacted]

Japan

■ NOTIONAL [redacted] TERM [redacted] (LIFFE) Y100m 100ths of 100%

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

FT FIXED INTEREST INDICES

GILT EDGED ACTIVITY INDICES

UK GILTS PRICES

Other Fixed Interest

CURRENCIES AND MONEY

MARKETS REPORT

Dollar doubts

The pace of economic recovery in the US was the focus of mar[redacted] attention yesterday, after the publication of weaker-than-[redacted] US non-farm payroll data, *writes Gillian* [redacted]

This was partly tempered by an improved unemployment figure. But with market sentiment mixed about the strength of the US recovery, the dollar softened slightly, while the D-Mark made [redacted] gains.

■ Publication of the US data had provoked considerable market speculation, [redacted] Mr Robert Reich, [redacted] labour secretary, broke with protocol on Thursday and predicted a disappointing figure. In the light [redacted] the dollar's recent bull run, [redacted] comment [redacted] that the [redacted] might [redacted] overly optimistic about the [redacted] of [redacted] recovery.

In the event, the non-farm payroll rose by 183,000 in December, compared to [redacted] market [redacted] 215,000. Unemployment in December fell to a three-year low of 6.4 [redacted] cent, down from 6.5 per cent the previous month.

The announcement triggered [redacted] small slide in the dollar against both [redacted] D-Mark and the yen. Though the dollar then bounced off technical support [redacted] as markets reassessed the employment number, it finally closed at DM1.733, almost [redacted] weaker than [redacted] previous day. It [redacted] slid against [redacted] closing [redacted] Y111.8, down from [redacted] previous [redacted] of Y112.6.

■ Pound in New [redacted]

Jan 7	Latest	Prev. [redacted]
£ spot	1.4910	[redacted]
1 mth	1.4880	1.4791
3 mth	1.4834	1.4745
1 yr	1.4706	1.4630

With market opinion [redacted] the speed of the [redacted] the dollar [redacted] likely [redacted] within a [redacted] range in coming days, [redacted] said.

"A battle [redacted] going [redacted] between dollar bulls and dollar bears. It [redacted] not [redacted] which side will win out," said Mr Peter Luxton, [redacted] Barclays Bank.

Consequently the publication [redacted] US PPI and [redacted] figures [redacted] Wednesday and Thursday this [redacted] likely [redacted] particular attention. As Mr Rob Loewy, head [redacted] Foreign Exchange [redacted] Midland Global Markets, points out, if this [redacted] figures point [redacted] weaker-than-expected [redacted] inflation, hopes about the strength of the US [redacted] could [redacted] further damped.

■ The D-Mark, by contrast, recovered slightly yesterday, after weakening on Thursday amid speculation that the Bundesbank's refusal [redacted] cut [redacted] this [redacted] would [redacted] cut later this month.

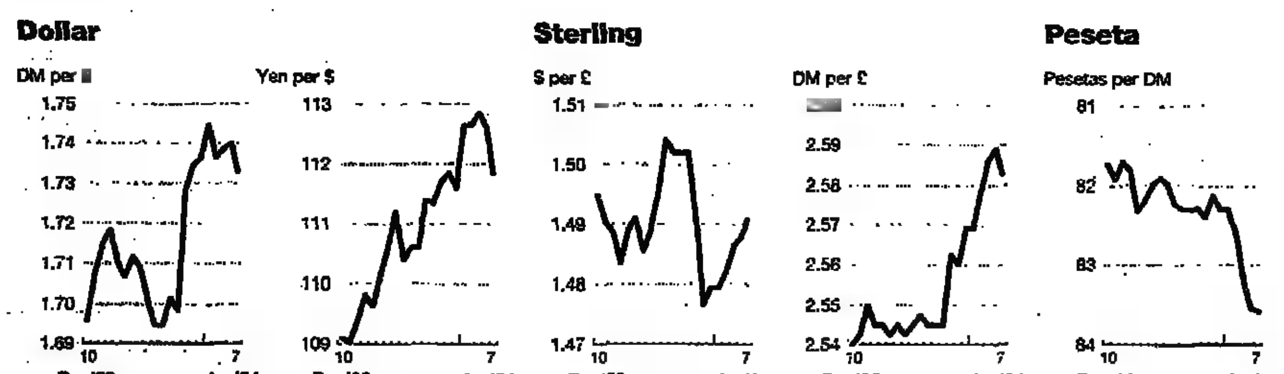
The French franc closed at [redacted] D-Mark compared [redacted] previous [redacted] of FFr3.396. Sterling's recent advances against the D-mark were also [redacted] and it [redacted] at [redacted] down [redacted].

[redacted] key [redacted] for [redacted] D-Mark's [redacted] a comment from Mr Hans Tietmeyer, Bundesbank president, on Thursday indicating that the bank had a steady [redacted] policy for the time being.

"The Bundesbank is trying hard to dent market speculation that it might cut interest rates," said Mr Ian Gunner, international economist with Chase Manhattan.

■ The Irish Central Bank [redacted] its short-term facility [redacted] 6.75 per cent from 7.0 [redacted] cent, [redacted] its overnight deposit [redacted] to [redacted] cent from 3.75 per cent. Although [redacted] dealers had earlier speculated that the Irish Bank would wait for a German before trimming [redacted] own rates, [redacted] move [redacted] to have been triggered by the recent strengthening of the Irish currency which is currently by far the strongest currency in [redacted] EMS grid, above its pre-August upper limit against the D-Mark. The punt closed at DM2.474 down from [redacted] the previous day.

■ The Bank of England yesterday provided the UK money market [redacted] £1.41 billion of assistance, after forecasting a £1.4bn liquidity shortage.



Source: FT Graphite

POUND SPOT FORWARD AGAINST THE POUND

Jan 7		[redacted] mid-point	[redacted] on [redacted]	[redacted] spread	Day's [redacted] high	low	One month [redacted]	[redacted]	Three [redacted] Rate	%PA	[redacted] Rate	%PA	Bank of Eng. Index
Europe													
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	18.1016	[redacted]	[redacted]	18.1817	[redacted]	-	-	[redacted]
Belgium	[redacted]	53.6685	+0.0194	311 - 058	[redacted]	[redacted]	[redacted]	-1.7	[redacted]	-1.4	[redacted]	[redacted]	[redacted]
Denmark	[redacted]	[redacted]	-0.007	411 - 631	[redacted]	[redacted]	[redacted]	-1.8	[redacted]	-1.6	10.1424	-0.9	[redacted]
Finland	[redacted]	[redacted]	[redacted]	617 - 973	[redacted]	[redacted]	-	-	-	-	-	-	[redacted]
France	(FFr)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-1.1	[redacted]	[redacted]	[redacted]	[redacted]	108.1
Germany	(DM)	[redacted]	[redacted]	[redacted]	[redacted]	2.5765	[redacted]	-0.7	[redacted]	-0.5	[redacted]	-0.1	[redacted]
Greece	(Dr)	371.433	-0.642	159 - 706	[redacted]	[redacted]	-	-	-	-	-	-	-
Ireland	[redacted]	1.0437	+0.0006	428 - 448	[redacted]	[redacted]	[redacted]	-0.9	[redacted]	-0.7	[redacted]	-0.5	[redacted]
Italy	(L)	[redacted]	[redacted]	[redacted] - 762	[redacted]	2508.75	2532.42	-3.1	[redacted]	[redacted]	[redacted]	-2.6	[redacted]
Luxembourg	(LFr)	[redacted]	[redacted]	311 - 058	[redacted]	[redacted]	[redacted]	-1.7	[redacted]	-1.4	[redacted]	-0.9	[redacted]
Netherlands	(Fl)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-0.1	[redacted]	-0.1	[redacted]	[redacted]	[redacted]
Norway	[redacted]	11.1587	+0.0131	[redacted] - 661	11.1725	11.1150	11.1746	-1.7	11.1725	[redacted]	[redacted]	0.0	[redacted]
[redacted]	[redacted]	263.074	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-6.4	[redacted]	-6.1	-	-	-
Spain	(Pta)	215.938	-0.308	677 - 195	[redacted]	215.360	[redacted]	-4.1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Sweden	(SKr)	12.1744	-0.0107	629 - 859	[redacted]	[redacted]	[redacted]	-2.5	[redacted]	-1.8	[redacted]	-1.4	[redacted]
Switzerland	(SFr)	2.1918	-0.0023	903 - 933	2.2002	[redacted]	[redacted]	1.4	[redacted]	1.4	2.1591	1.5	117.1
UK	[redacted]	-	-	-	-	-	-	-	-	-	-	-	[redacted]
Ecu	-	1.3331	+0.0003	320 - 341	[redacted]	[redacted]	[redacted]	-1.1	[redacted]	[redacted]	1.3389	-0.4	-
SDR†	-	0.823088	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.4878	+0.003	872 - 883	1.4909	[redacted]	-	-	-	-	-	-	-
Brazil	(Cr)	525.731	+8.064	553 - 909	[redacted]	[redacted]	-	-	-	-	-	-	-
Canada	(C$)	1.9712	+0.004	701 - 723	[redacted]	[redacted]	[redacted]	1.7	[redacted]	1.5	[redacted]	0.9	[redacted]
[redacted]	(New Peso)	4.6260	+0.0077	250 - 310	[redacted]	4.6000	-	-	-	-	-	-	-
USA	($)	1.4905	+0.0025	900 - 910	1.4915	1.4810	[redacted]	[redacted]	1.483	[redacted]	1.471	[redacted]	[redacted]
[redacted]													
Australia	(A$)	2.1704	[redacted]	[redacted]	[redacted]	[redacted]	2.1685	1.1	[redacted]	[redacted]	[redacted]	0.2	-
Hong Kong	[redacted]	11.5140	[redacted]	[redacted]	[redacted]	[redacted]	11.4914	2.4	11.4589	1.8	[redacted]	1.2	-
India	(Rs)	[redacted]	[redacted]	[redacted] - 727	46.8460	46.4630	-	-	-	-	-	-	-
Japan	(Y)	[redacted]	[redacted]	582 - 768	167.520	166.020	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3.3	[redacted]
Malaysia	(M$)	[redacted]	[redacted]	181 - 192	3.9250	[redacted]	-	-	-	-	-	-	-
New Zealand	[redacted]	2.5757	[redacted]	731 - 783	2.6900	2.6600	2.5792	-1.6	[redacted]	-0.8	2.6825	[redacted]	-
[redacted]	(Peso)	[redacted]	+0.0692	750 - [redacted]	[redacted]	40.5555	-	-	-	-	-	-	-
[redacted] Arabia	(SR)	5.5894	[redacted]	868 - 920	[redacted]	5.5546	-	-	-	-	-	-	-
Singapore	(S$)	2.3798	+0.0102	780 - 811	2.3840	2.3570	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.0669	+0.0089	[redacted]	5.0755	5.0310	-	-	-	-	-	-	-
[redacted]	[redacted]	6.3682	-0.0302	[redacted]	[redacted]	6.3095	-	-	-	-	-	-	-
South Korea	[redacted]	1212.52	+2.32	137 - 367	[redacted]	[redacted]	-	-	-	-	-	-	-
Taiwan	(T$)	[redacted]	+0.1038	[redacted]	[redacted]	39.3400	-	-	-	-	-	-	-
Thailand	(Bt)	38.1270	[redacted]	[redacted] - 547	38.1940	37.8840	-	-	-	-	-	-	-

†SDR rate for Jan 6. Bid/offer spreads in [redacted] Spot table show only the last [redacted]. Forward rates are not directly quoted to the [redacted] but are implied by current interest rates. [redacted] index calculated by the Bank of [redacted] 1985 = 100. Bid, Offer and Mid-rates in both this and the [redacted] Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR [redacted] FORWARD AGAINST THE DOLLAR

Jan 7		[redacted] mid-point	[redacted] on day	Bid/offer [redacted]	[redacted] mid high	low	[redacted] month [redacted]	[redacted]	Three [redacted] Rate	[redacted]	[redacted] Rate	[redacted]	[redacted] G'ty index
Europe													
Austria	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	12.2196	-3.0	[redacted]	-2.0	[redacted]	-1.2	[redacted]
Belgium	[redacted]	[redacted]	-0.0475	[redacted] - 200	[redacted]	[redacted]	36.127	-4.0	[redacted]	-3.4	[redacted]	-2.2	103.1
Denmark	(DKr)	[redacted]	-0.016	390 - 425	6.7775	[redacted]	[redacted]	-3.6	[redacted]	-3.1	[redacted]	-2.0	104.1
Finland	[redacted]	[redacted]	[redacted]	461 - 661	5.7815	[redacted]	[redacted]	-2.6	[redacted]	-2.1	[redacted]	-1.3	[redacted]
France	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	5.915	-3.5	[redacted]	-2.9	[redacted]	-1.6	[redacted]
Germany	(D)	[redacted]	[redacted]	330 - 335	1.7455	[redacted]	1.7378	-3.1	1.7444	-2.6	1.7577	-1.4	[redacted]
Greece	[redacted]	249.200	[redacted]	100 - [redacted]	[redacted]	[redacted]	[redacted]	-18.6	[redacted]	-18.1	[redacted]	-18.1	71.7
Ireland	[redacted]	[redacted]	[redacted]	274 - 289	[redacted]	[redacted]	1.4241	3.4	1.4181	[redacted]	1.4032	1.8	-
Italy	(L)	[redacted]	+5.14	[redacted]	[redacted]	[redacted]	[redacted]	-5.4	1715.48	-4.9	1760.13	-3.9	77.3
Luxembourg	[redacted]	[redacted]	-0.0475	[redacted]	[redacted]	[redacted]	[redacted]	-4.0	36.317	-3.4	[redacted]	-2.2	103.1
Netherlands	(Fl)	[redacted]	[redacted]	382 - 392	1.9510	[redacted]	[redacted]	-2.4	[redacted]	-1.9	[redacted]	-1.0	103.7
Norway	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	7.5015	-2.4	[redacted]	-2.1	[redacted]	-2.0	[redacted]
Portugal	[redacted]	[redacted]	-0.2	400 - [redacted]	177.370	[redacted]	177.75	-8.5	[redacted]	-7.9	[redacted]	-6.2	[redacted]
Spain	(Pta)	[redacted]	-0.45	[redacted] - 000	[redacted]	144.750	[redacted]	-6.5	[redacted]	-5.6	[redacted]	-4.2	[redacted]
Sweden	[redacted]	[redacted]	[redacted]	630 - 730	8.2530	[redacted]	[redacted]	-4.8	[redacted]	-3.7	8.3855	-2.7	80.6
[redacted]	[redacted]	1.4705	-0.004	700 - 710	[redacted]	1.4700	1.4718	-0.9	1.4727	-0.8	[redacted]	0.2	103.7
UK	(£)	1.4905	[redacted]	900 - 910	1.4910	1.4810	[redacted]	2.3	[redacted]	[redacted]	1.471	1.3	91.2
Ecu	-	1.1181	+0.0016	175 - 186	1.1186	1.1115	1.115	3.4	1.11	[redacted]	1.0986	1.7	-
SDR	-	[redacted]	-	-	-	-	-	-	-	-	-	-	-
[redacted]													
[redacted]	(Peso)	0.9982	[redacted]	981 - 982	[redacted]	[redacted]	-	-	-	-	-	-	-
Brazil	[redacted]	352.721	[redacted]	720 - [redacted]	[redacted]	[redacted]	-	-	-	-	-	-	-
Canada	(C$)	[redacted]	[redacted]	222 - 228	1.3230	1.3185	[redacted]	-0.6	[redacted]	-0.5	[redacted]	-0.4	[redacted]
[redacted]	[redacted] Peso)	3.1050	-	040 - 060	[redacted]	[redacted]	3.1067	-0.7	3.1108	-0.7	[redacted]	-0.6	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	[redacted]
[redacted]													
Australia	(A$)	[redacted]	[redacted]	556 - 567	1.4635	[redacted]	1.4574	-1.0	[redacted]	-1.2	[redacted]	-0.8	[redacted]
Hong Kong	[redacted]	[redacted]	[redacted]	244 - 254	7.7254	[redacted]	7.7264	-0.5	7.7314	-0.3	[redacted]	[redacted]	-
India	[redacted]	[redacted]	-0.0037	625 - 700	31.3700	31.3625	31.4463	-3.1	31.6513	-3.6	-	-	-
Japan	[redacted]	111.825	-0.73	[redacted] - 850	112.750	111.600	111.75	0.8	111.5	1.2	109.56	[redacted]	[redacted]
Malaysia	[redacted]	2.6261	-0.0029	276 - 286	[redacted]	[redacted]	2.6311	-1.4	[redacted]	-1.7	[redacted]	-2.0	-
New Zealand	[redacted]	1.7952	-0.0032	940 - 963	[redacted]	1.7930	[redacted]	-0.9	[redacted]	-1.0	1.8077	-0.7	-
Philippines	(Peso)	[redacted]	-	000 - 000	27.9000	27.5000	-	-	-	-	-	-	-
[redacted] Arabia	[redacted]	3.7500	-	495 - 505	3.7505	[redacted]	3.7565	-2.7	3.77	-2.1	[redacted]	-1.1	-
Singapore	[redacted]	1.5965	+0.0042	960 - 970	1.5970	[redacted]	[redacted]	1.3	1.593	0.9	1.599	-0.2	-
S [redacted] (Com.)	(R)	[redacted]	+0.0003	[redacted]	3.4095	3.3925	[redacted]	-5.8	3.4441	[redacted]	[redacted]	-4.5	-
[redacted] (Fin.)	(R)	4.2725	[redacted]	675 - 775	[redacted]	4.2550	4.2995	-7.6	[redacted]	[redacted]	-	-	-
South [redacted]	(Won)	813.500	[redacted]	[redacted] - [redacted]	814.300	813.000	816.5	-4.4	820	-3.2	838.5	-3.1	-
Taiwan	(T$)	[redacted]	+0.025	300 - 300	26.6300	26.5000	26.6389	-2.7	[redacted]	-2.7	-	-	-
Thailand	[redacted]	[redacted]	+0.01	700 - [redacted]	[redacted]	25.5500	25.6075	-1.3	25.655	-1.2	26.105	-2.1	-

†SDR rate [redacted] Jan 6. [redacted] in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but [redacted] current [redacted] Guaranty Changes [redacted] for Jan 6 Base average 1990=100

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jan 7		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	[redacted]	C$	[redacted]	[redacted]	[redacted]
Belgium	(BFr)	100	18.73	16.38	4.813	[redacted]	4707	5.385	20.79	[redacted]	402.3	22.68	4.084	1.863	3.672	2.778	310.6	2.484
Denmark	(DKr)	53.40	10.	8.747	2.570	[redacted]	2513	2.876	11.10	[redacted]	[redacted]	12.11	[redacted]	0.995	1.961	[redacted]	165.9	1.326
France	(FFr)	61.05	11.43	10	2.938	1.168	2873	3.287	[redacted]	[redacted]	245.6	13.84	2.493	[redacted]	2.242	1.696	189.6	1.516
Germany	(DM)	20.78	3.891	3.403	1	0.404	977.9	1.119	4.321	101.9	83.58	4.712	0.849	0.387	0.763	0.577	[redacted]	0.516
Ireland	(I£)	51.41	9.626	8.420	[redacted]	1	2420	2.768	[redacted]	[redacted]	206.8	[redacted]	2.100	0.958	[redacted]	[redacted]	[redacted]	[redacted]
Italy	(L)	2.125	0.398	0.348	[redacted]	[redacted]	100.	0.114	[redacted]	10.42	8.547	0.482	0.087	0.040	[redacted]	0.059	6.599	0.053
Netherlands	(Fl)	18.57	3.478	3.042	0.894	[redacted]	874.0	1	[redacted]	[redacted]	74.71	4.211	[redacted]	[redacted]	[redacted]	0.516	57.68	0.461
Norway	(NKr)	48.09	9.005	[redacted]	2.315	0.935	2263	[redacted]	10	235.8	193.5	10.91	[redacted]	0.896	1.766	[redacted]	[redacted]	1.194
Portugal	(Es)	20.40	3.820	3.341	[redacted]	0.397	[redacted]	1.098	4.242	100.	[redacted]	4.626	0.833	[redacted]	0.749	0.567	[redacted]	[redacted]
Spain	(Pta)	24.88	4.658	[redacted]	[redacted]	0.484	1170	1.339	[redacted]	121.9	100.	5.637	[redacted]	0.463	0.913	0.691	77.21	0.617
Sweden	(SKr)	44.10	8.258	7.224	[redacted]	0.858	[redacted]	[redacted]	[redacted]	216.2	177.4	10	[redacted]	0.822	[redacted]	1.226	137.0	[redacted]
Switzerland	(SFr)	24.48	4.586	4.010	1.178	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	5.553	1	[redacted]	0.899	0.680	76.05	[redacted]
UK	(£)	53.67	[redacted]	[redacted]	2.583	[redacted]	[redacted]	2.890	11.16	[redacted]	[redacted]	12.17	[redacted]	1	1.971	[redacted]	[redacted]	1.333
Canada	(C$)	27.23	5.099	[redacted]	[redacted]	0.530	1282	[redacted]	[redacted]	[redacted]	[redacted]	6.175	1.112	[redacted]	1	0.756	[redacted]	[redacted]
US	($)	36.00	[redacted]	[redacted]	1.732	[redacted]	1694	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1.470	[redacted]	[redacted]	1	111.8	[redacted]
Japan	(Y)	322.0	[redacted]	52.74	[redacted]	5.263	[redacted]	[redacted]	66.95	[redacted]	[redacted]	73.01	13.15	[redacted]	11.62	[redacted]	[redacted]	[redacted]
Ecu		40.26	[redacted]	6.595	[redacted]	0.783	[redacted]	2.169	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1.479	1.119	125.1	1

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	[redacted]	Low	Est. vol	Open int.
Mar	0.5706	[redacted]	[redacted]	0.4743	0.5704	[redacted]	[redacted]
Jun	0.5670	0.5675	+0.0055	0.5711	0.5660	[redacted]	[redacted]
Sep	-	0.5685	-	0.5685	-	[redacted]	[redacted]

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.6741	0.6768	+0.0031	0.6782	0.6732	25,039	[redacted]
Jun	[redacted]	0.6770	[redacted]	[redacted]	0.6735	122	336
Sep	-	0.6740	-	-	-	2	30

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	[redacted]	High	Low	Est. vol	Open int.
Mar	[redacted]	0.8951	[redacted]	0.8970	[redacted]	[redacted]	[redacted]
Jun	[redacted]	0.8965	+0.0084	0.9005	0.8929	649	[redacted]
Sep	-	0.9035	-	0.9035	-	20	298

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	[redacted]	[redacted]	[redacted]	[redacted]	1.4750	11,948	29,579
Jun	-	1.4770	-	1.4770	-	77	[redacted]
Sep	-	1.4700	-	1.4700	-	4	[redacted]
Dec	-	[redacted]	-	1.4690	-	3	5

EMS EUROPEAN CURRENCY UNIT RATES

Jan 7	Ecu [redacted] rates	Rate [redacted] Ecu	Change on [redacted]	% +/- [redacted] cen. rate	[redacted] weakest	Div. ind.
Ireland	0.808628	0.783930	+0.000991	-3.05	8.42	21
[redacted]	[redacted]	[redacted]	[redacted]	-1.38	6.56	[redacted]
Germany	1.94964	1.93734	[redacted]	-0.63	5.77	6
Belgium	40.2123	40.2388	-0.0292	0.07	5.04	[redacted]
France	6.53883	6.59254	+0.00653	0.82	4.25	-7
Denmark	7.43679	7.53504	[redacted]	1.32	3.73	-9
Portugal	[redacted]	[redacted]	-0.052	2.17	2.88	-15
Spain	[redacted]	[redacted]	+0.226	[redacted]	[redacted]	-35
NON ERM MEMBERS						
Greece	264.513	278.198	-1.455	5.17	-0.07	-
Italy	1793.19	1893.45	+12.94	5.59	-0.46	-
[redacted]	[redacted]	[redacted]	-0.000119	-4.60	10.18	-

Ecu central rates set by the European Commission. Currencies are in descending relative [redacted]. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	[redacted] Jan	Feb	Mar	[redacted] Jan	Feb	[redacted]
1.400	8.09	7.93	8.03	-	0.05	[redacted]
1.425	5.65	5.68	6.01	-	0.24	[redacted]
1.450	3.20	3.69	4.20	-	0.69	1.47
1.500	1.16	2.11	2.73	0.35	1.56	2.48
1.500	0.17	1.04	1.71	1.77	2.83	[redacted]
1.525	-	0.44	[redacted]	4.07	[redacted]	[redacted]

Previous day's vol., Calls 39,847 Puts 13,901. Prev. day's open int., Calls 513,431 Puts 482,119

WORLD INTEREST RATES

MONEY RATES

January [redacted]	[redacted]	[redacted]	[redacted]	[redacted] mths	One year	Lomb. [redacted]	[redacted]	[redacted] rate
Belgium	7⅛	7⅛	[redacted]	6⅞	6⅝	[redacted]	5.25	-
week ago	7¾	7⅛	6¾	6⅞	6¾	7.40	[redacted]	-
France	[redacted]	[redacted]	6⅛	[redacted]	[redacted]	6.20	-	[redacted]
week ago	6.50	[redacted]	[redacted]	6	[redacted]	6.20	-	7.75
Germany	[redacted]	[redacted]	[redacted]	[redacted]	6.18	[redacted]	5.75	6.00
week ago	[redacted]	6.05	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Ireland	6⅞	6⅛	6⅛	[redacted]	5⅞	-	-	6.75
week ago	6⅞	6⅛	6⅛	5⅝	5¾	-	-	[redacted]
[redacted]	8⅝	8⅝	8¼	[redacted]	-	[redacted]	[redacted]	[redacted]
week ago	8¾	8¾	8⅝	8¼	7⅞	-	[redacted]	[redacted]
[redacted]	5.72	5.47	5.20	5.01	4.80	-	[redacted]	-
week ago	5.84	[redacted]	5.43	[redacted]	[redacted]	-	5.25	-
Switzerland	4	[redacted]	4	3⅝	[redacted]	[redacted]	4.25	-
week ago	6	[redacted]	4⅜	4	[redacted]	6.625	[redacted]	-
US	2⅞	3⅛	[redacted]	3⅛	3¼	-	3.00	-
week ago	[redacted]	[redacted]	[redacted]	3⅜	3¼	-	3.00	-
Japan	2⅛	2⅛	2⅛	1⅞	1⅞	-	1.75	-
week ago	2⅝	2⅝	2¼	1⅞	1⅞	-	1.75	-
■ $ LIBOR FT London Interbank Fixing	-	3⅜	3⅜	3¼	3⅝	-	-	-
week ago	-	3⅜	3½	3½	3⅜	-	-	-
US Dollar CDs	-	2.98	3.08	3.18	3.49	-	-	-
week ago	-	2.98	3.11	3.25	3.59	-	-	-
SDR Linked Ds	-	3⅝	3⅝	3⅜	3⅜	-	-	-
week ago	-	3⅝	3⅝	3⅜	3⅜	-	-	-

3 Month US Treasury Bill Yield, 3.09 Prime Rate 6pc $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Jan 7	Short term	[redacted] days notice	One month	Three months	Six months	[redacted] year
Belgian Franc	7⅝ - 7¼	7⅜ - 7¼	7¼ - 6⅞	6⅞ - 6¾	6⅝ - 6¼	6⅛ - 5⅞
Danish Krone	7 - 6¾	7¼ - 6⅞	7 - 6½	6¾ - 6½	6⅜ - 6⅛	6⅛ - 5⅞
D-Mark	6⅛ - 6	6⅛ - 6	6⅛ - 6	5⅞ - 5¾	5⅝ - 5½	5¼ - 5⅛
Dutch Guilder	5⅞ - 5⅝	5⅝ - 5½	5½ - 5⅜	5¼ - 5⅛	5⅛ - 4⅞	4⅞ - 4¾
French Franc	6⅝ - 6½	6⅝ - 6½	6⅜ - 6¼	6⅛ - 6	6⅛ - [redacted]	5⅝ - 5½
Portuguese Esc.	11⅞ - 11¼	11⅞ - 11	11½ - 11	11½ - 11	11⅛ - 10⅞	10½ - 10
Spanish Peseta	9⅞ - 9⅝	9⅞ - 9⅝	9⅛ - 9⅛	8⅞ - 8⅝	8½ - 8⅜	8⅜ - 8
Sterling	5½ - 5¼	5½ - 5⅜	5⅞ - 5⅜	5⅞ - 5⅜	5⅜ - 5¼	5¼ - 5⅛
Swiss Franc	4⅜ - 4¼	4⅜ - 4¼	4⅜ - 4¼	4 - 3⅞	3⅞ - 3¾	3⅞ - 3⅝
Can. Dollar	3⅞ - 3¾	3⅞ - 3⅝	3⅞ - 3¾	4 - 3⅞	4⅛ - 4	4¼ - 4⅛
US Dollar	3 - 2⅞	3⅛ - 3	[redacted] - 3¼	3⅜ - [redacted]	3½ - 3⅜	3⅞ - [redacted]
Italian Lira	10 - 8	9⅛ - 9¼	8½ - 8	8½ - 8	8¼ - 7⅞	8 - 7⅝
Yen	2⅛ - 2⅛	2⅛ - 2⅛	2⅛ - 2⅛	2⅛ - 2⅛	2 - 1⅞	1⅞ - 1⅝
Asian $Sing	3½ - 2½	3½ - 2½	3½ - 2½	4 - 3	4 - 3	4¼ - 3¼

Short term rates [redacted] call [redacted] the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.21	94.23	+0.01	94.24	94.17	26,160	107,823
Jun	94.73	94.75	+0.01	94.76	94.68	11,955	59,616
Sep	95.17	95.19	+0.01	95.20	95.14	6,302	36,673
Dec	95.42	95.48	+0.03	95.49	95.42	3,457	26,761

■ THREE MONTH EURODOLLAR (LIFFE) $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	96.49	96.58	+0.10	96.52	96.48	276	4812
Jun	96.16	96.26	+0.13	96.20	96.16	297	2484
Sep	95.85	95.90	+0.15	95.96	95.85	165	853
Dec	-	95.60	+0.17	-	-	0	196

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of [redacted]

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[redacted]	[redacted]	[redacted]	94.51	94.46	40902	224967
Jun	[redacted]	[redacted]	[redacted]	95.00	94.92	30776	[redacted]
Sep	[redacted]	[redacted]	[redacted]	95.39	95.31	23926	[redacted]
Dec	[redacted]	[redacted]	[redacted]	95.65	95.57	13480	93405

■ THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of [redacted]

	[redacted]	[redacted]	Change	High	Low	[redacted]	Open int.
Mar	92.06	[redacted]	-0.05	92.08	91.99	[redacted]	[redacted]
Jun	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Sep	92.94	92.97	-0.01	92.97	92.92	1371	22310
Dec	[redacted]	[redacted]	[redacted]	93.20	[redacted]	500	[redacted]

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. [redacted]	Open int.
Mar	96.24	96.24	-0.01	96.25	96.20	4057	[redacted]
Jun	96.50	96.53	-	96.53	96.48	1409	12259
Sep	96.67	96.68	[redacted]	96.68	96.63	[redacted]	[redacted]
Dec	96.67	96.71	-	96.71	96.67	395	1015

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	[redacted]	Open [redacted]
Mar	[redacted]	94.15	-0.03	94.17	94.11	2968	14927
Jun	94.71	94.69	-0.03	94.71	94.65	692	[redacted]
Sep	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	500	[redacted]
Dec	[redacted]	[redacted]	[redacted]	95.38	[redacted]	295	[redacted]

* [redacted] traded on [redacted]

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	[redacted]	[redacted]	High	Low	Est. [redacted]	Open int.
Mar	[redacted]	[redacted]	+0.06	96.54	[redacted]	[redacted]	416,841
Jun	96.16	96.24	+0.09	96.24	[redacted]	117,369	357,237
Sep	95.86	95.94	+0.09	95.96	95.84	[redacted]	[redacted]
Dec	95.45	95.55	+0.11	95.55	[redacted]	[redacted]	[redacted]

■ US TREASURY BILL FUTURES (IMM) $1m per [redacted]

Mar	96.79	96.83	+0.05	96.84	96.79	1,350	27,544
Jun	96.50	96.56	+0.07	96.56	96.50	713	6,219
Sep	96.26	96.30	+0.07	96.30	96.26	640	1,411

[redacted] figs. [redacted] for previous [redacted]

■ EUROMARK OPTIONS (LIFFE) DM1m [redacted] of 100%

Strike Price	CALLS Mar	Jun	Sep	[redacted] Mar	Jun	Sep
9450	0.10	0.53	0.91	0.10	0.04	0.03
9475	0.03	[redacted]	0.68	0.28	0.06	[redacted]
9500	[redacted]	0.17	0.47	0.51	0.18	[redacted]

Est. vol. total, Calls 9873 Puts 7940. Previous day's open int., Calls 158296 Puts 85181

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	Jun	[redacted]
9600	0.27	0.56	[redacted]	0.03	0.03	0.05
9625	[redacted]	0.34	0.52	0.11	0.06	[redacted]
9650	[redacted]	0.17	0.34	0.30	0.14	0.16

Est. vol. total, Calls 0 Puts [redacted] Previous day's open int., Calls 1159 Puts 2460

[redacted] INTEREST RATES

LONDON MONEY RATES

Jan 7	Over-night	[redacted] days [redacted]	One month	Three [redacted]	Six months	[redacted]
Interbank Sterling	5 - 2½	5¼ - 4⅞	5⅞ - 5⅝	5⅞ - 5⅝	5⅜ - 5¼	5⅜ - 5¼
Sterling CDs	-	-	5⅞ - 5⅝	5⅝ - 5⅝	5⅞ - 5⅜	5⅜ - 5¼
Treasury [redacted]	-	-	5⅛ - 5⅛	[redacted]	-	-
Bank Bills	-	-	5⅛ - 5⅝	5⅝ - 5⅛	[redacted] - 4⅞	-
Local authority deps.	5⅛ - 4⅞	5⅝ - 5⅛	5⅝ - 5⅝	5⅝ - 5⅜	5⅝ - 5⅛	5⅛ - 4⅞
Discount market deps.	5¼ - 3	5⅛ - 4⅞	-	-	-	-

UK clearing bank base lending rate 5½ per cent from November 23, 1993

	Up to 1 month	1-3 [redacted]	3-6	6-9	9-12
[redacted] Tax dep. (£100,000)	1¾	4¼	[redacted]	[redacted]	[redacted]

Certs of Tax dep. under £100,000 is 2¼pc. Deposits withdrawn for cash 1pc.
Ave. tender rate of discount 4.8934pc. ECGD fixed rate Stg. Export [redacted] Make up day December 31, 1993. Agreed rate for period Jan 26, 1994 to Feb 25, 1994, Schemes II & III 6.65pc. Reference rate for period Dec 1, 1993 to Dec 31, 1993, Schemes IV & V 5.375pc. Finance House Base Rate 5½pc from Jan 1, [redacted]

■ THREE MONTH STERLING FUTURES [redacted] of [redacted]

	[redacted]	Sett price	Change	High	Low	[redacted]	Open int.
Mar	[redacted]	94.75	+0.01	94.77	94.71	22985	119513
Jun	[redacted]	94.95	[redacted]	94.96	94.88	22362	95566
Sep	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	50939
Dec	[redacted]	[redacted]	+0.01	95.01	[redacted]	[redacted]	[redacted]

Traded on APT. All Open interest figs. are for [redacted] day.

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of [redacted]

Strike Price	[redacted] Mar	Jun	Sep	PUTS Mar	Jun	[redacted]
9475	0.13	0.33	0.44	0.13	0.13	0.17
9500	0.05	0.16	0.29	0.30	0.23	[redacted]
9525	0.01	0.09	0.18	0.51	0.39	0.41

Est. vol. total, Calls 6309 [redacted] day's open int., [redacted] 110609 [redacted]

BASE LENDING RATES

	%		%		%
Adam & Company	5.5	Duncan Lawrie	5.5	* Roxburghe Bank Ltd is no longer authorised as a banking institution.	8
Allied Trust Bank	5.5	Exeter Bank Limited	6.5	Royal Bk of Scotland	5.5
AIB Bank	5.5	Financial & Gen Bank	6	●Smith & Williamson Secs.	5.5
●Henry Ansbacher	5.5	●Robert Fleming & Co.	5.5	Standard Chartered	5.5
Bank of Baroda	5.5	Girobank	5.5	TSB	5.5
Banco Bilbao Vizcaya	5.5	●Guinness Mahon	5.5	●United Bk of Kuwait	5.5
Bank of Cyprus	5.5	Habib Bank AG Zurich	5.5	Unity Trust Bank Plc	5.5
Bank of Ireland	5.5	●Hambros Bank	5.5	Western Trust	5.5
Bank of India	5.5	Heritable & Gen Inv Bk.	5.5	Whiteaway Laidlaw	5.5
Bank of Scotland	5.5	●Hill Samuel	5.5	Wimbledon & Sth West.	7
Barclays Bank	5.5	C. Hoare & Co	5.5	Yorkshire Bank	5.5
Brit Bk of Mid East	5.5	Hongkong & Shanghai.	5.5		
●Brown Shipley	5.5	Julian Hodge Bank	5.5		
CL Bank Nederland	5.5	●Leopold Joseph & Sons	5.5		
Citibank NA	5.5	Lloyds Bank	5.5		
City Merchants Bank	5.5	Meghraj Bank Ltd	5.5		
Clydesdale Bank	5.5	Midland Bank	5.5		
The Co-operative Bank	5.5	* Mount Banking	6		
Coutts & Co	5.5	NatWestminster	5.5		
Credit Lyonnais	5.5	●Rea Brothers	5.5		
Cyprus Popular Bank	5.5				

[redacted] British [redacted] Banking [redacted] Securities [redacted]
* [redacted]

MONEY MARKET FUNDS

Money Market Trust Funds

CAF Money Management Co Ltd
The COIF Charities Deposit Account
Cent. Bd. of Fin. of Church of England
Gartmore Money Management Ltd

[illegible]

Money Market Bank Accounts

Allied Trust Bank Ltd
American Express Bank Ltd
Bank of Ireland
Bank of Scotland
Barclays
Brown Shipley & Co Ltd
Caledonia
Chartered
Clydesdale Bank
The Co-operative Bank
Coutts & Co
Dao Heng Bank (London) PLC
Fidelity Money Market Account
Gartmore Money Management Ltd
Halifax Bldg Soc
Julian Hodge Bank Ltd
Humberclyde Finance Group
Leopold Joseph & Sons Limited
Kleinwort Benson Ltd
Lloyds Bank
Midland Bank plc
Nationwide Bldg Soc
Portman Bldg Soc
Rea Brothers Limited
Royal Bank of Scotland plc
Save & Prosper/Robert Fleming
Tyndall Bank plc
Western Trust High Interest
Wimbledon & South West Finance PLC

[illegible]

NOTES – Gross: Con[redacted] rate of interest payable, not taking account of the [redacted] of basic rate income tax. Net: [redacted] of interest payable after allowing for deduction of basic rate income tax. Gross [redacted] annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int. Pd: Frequency at which interest is credited to the account.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details [illegible] to those securities not included in [illegible] FT [illegible] Information Serv[illegible]

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up [illegible] 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those [illegible] in which no business was [illegible] in Thursday's Official List the latest recorded business in the three previous days is given [illegible] the [illegible]

Rule 535(2) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic [illegible] Ireland Ltd.

‡ Bargains [illegible] special prices. Φ Bargains done the previous day.

British Funds, [illegible]

Treasury 13¾% Stk 2000/03 - £140 140 140 (5Ja94)

Exchequer 10½% [illegible] 2005 - [illegible]

Guaranteed Export Finance Corp PLC 11¼% Gtd [illegible] (Br £10000&100000) - [illegible]

Corporation [illegible] County [illegible]

Birmingham Corp 3½% [illegible] 1946(or after) - £42 (4Ja94)

Redland Capital PLC 7¼% Cnv Bds 2002(Br£1000&10000) - £110½ (4Ja94)

Redland Sterling Funding PLC 10⅞% Gtd Bds 2001 (Br £Var) - £121⅝

Royal Bank of Scotland PLC 9½% Undated Subord Bds (Br £ Var) - £113¾Φ

Royal Bank of Scotland PLC 10.5% Subord Bds 2013 (Br £ Var) - £125⅜ 6 (4Ja94)

Royal Bank of Scotland PLC 10⅝% Subord Bds 1998 (Br£5000&25000) - £115

Royal Insurance Hldgs PLC 9⅝% Subord Bds 2003 (Br £ Var) - £111⅝ ⅞ (4Ja94)

Severn Trent PLC 11⅝% Bds 2001 (Br £5000&100000) - £126½

Skandia Capital AB 11% Gtd Nts [illegible]

[illegible]

PowerGen PLC 8⅞% Bds 2003 (Br £10000&100000) - £113.74 (5Ja94)

Prudential Finance BV 9⅜% Gtd Bds 2007 (Br£5000&100000) - £117⅞ 8 [illegible]

Blue Circle Industries PLC ADR (1:1) - $5.06

Blue Circle Industries PLC 5¾% 2nd Deb Stk 1984/2009 - £86½

FT-SE ACTUARIES INDICES

The FT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices and the FT-SE Actuaries Industry Baskets are [illegible] by The International Stock Exchange of the United Kingdom and Republic of Ireland Limited. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. All rights reserved.

The FT-Actuaries All-Share Index [illegible] calculated by The Financial Times Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries. © The Financial Times Limited 1993. All rights reserved.

The FT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices, the FT-SE [illegible] Industry Baskets and the FT-Actuaries All-Share Index are members of the FT-SE Actuaries Share Indices series which are calculated in accordance with a standard set [illegible] ground rules established by The Financial Times Limited and London Stock Exchange in conjunction with the Institute of Actuaries and the Faculty of Actuaries.

"FT-SE" and [illegible] are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited.

Select Industries PLC New Ord 7⅓p(Fully Regd) - [illegible]

Shepherd Neame Ld "A" Ord £1 - £7.1 (4Ja94)

South Green Hldgs PLC Ord 1p - £0.01Φ

Southern Newspapers PLC Ord £1 - £3.675

Thwaites(Daniel)& Co PLC Ord 25p - £2¾ [illegible]

Titaghur PLC Ord 5p - £0.23 0.26

Total Repro Ld Ord 10p - £0.61 [illegible] 0.65 (4Ja94)

Tracker Network PLC Ord £1 - £6 [illegible]

UAPT-Infolink PLC Ord 25p - £0.65

Westbrix Ld "A" Non.V Ord 25p - £13½ 13 [illegible]

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Bank of East Asia [illegible]

[illegible] Tin Dredging 640

Boise Cascade Corp $23¼ (4/1)

Bounty Invs. 110

Bukit Sembawang £11¼ (5/1)

Commodore Intl [illegible]

LONDON STOCK EXCHANGE

MARKET REPORT

US buyers return to boost FT-SE 100 stocks

By Terry Byland, UK Stock Market Editor

The London stock [illegible] rounded off the first week of 1994 with a convincing display [illegible] yesterday afternoon when excellent news on US employment soothed fears that interest rates might be forced higher on the other side of the Atlantic. Renewed buying of stock index futures by the big US securities houses drove the FT-SE Index up by 43 points to 3,446, within 16 points of the previous closing high reached just after Christmas.

Although the US payroll statistics appeared to have been leaked on the previous day, London warmly welcomed the formal announcement that non-farm payrolls had risen by a mere 183,000 in December, far below market estimates. [illegible] over prospects for [illegible] in the [illegible] earlier this [illegible] had helped unsettle London's [illegible] that domestic base rates would be reduced in the [illegible] term.

At first, the UK market [illegible] for another uncertain performance, with the [illegible] ing support while the FT-SE Mid 250 Index continued to blaze ahead. But share prices began to move up half an hour before the US news came.

On the announcement, the March contract on the Footsie jumped to a substantial premium and London traders [illegible] several [illegible] the large US buyers [illegible] the London futures who had pushed [illegible] in [illegible].

A brief [illegible] for consolidation was followed by a renewed advance as the marketmakers again found themselves short [illegible] the assault. The [illegible] has [illegible] erratically this [illegible] as marketmakers [illegible] sought to rebuild trading [illegible] which were badly stretched during the [illegible] advance just before Christmas.

However, the refocusing of [illegible] tion on [illegible] ing [illegible] in the FT-SE Mid 250 Index, which climbed 63.5, breaking through a new barrier to close at a new peak of 3,912.5.

At last night's close of [illegible] of [illegible] equity account, the FT-SE 100 Index showed a gain of 27.6 on the week but the FT-SE Mid 250 was 121.2 points or 3.2 [illegible].

The [illegible] of confidence seen over the past [illegible] sessions has been [illegible] in high trading volume. On Thursday, Seaq volume of 1.02bn shares brought [illegible] ness worth £2.02bn, one of the best daily [illegible] for twelve months. However, Seaq business increased again yesterday, totalling 1.05bn shares.

The soothing of interest rate worries also inspired the gilt edged market, where short [illegible] moved higher. The best gains, however, [illegible] in the longer dates where renewed confidence that inflationary pressures will stay low added as much as ¾ of a point to bond prices. Index-linked gilts, after a slow start, edged higher towards the [illegible] of the session.

Equity traders expressed satisfaction [illegible] the resilience of the stock market [illegible] the past [illegible] sessions, which [illegible] the [illegible] bounce over 90 points from Thursday morning's low point of 3,355.

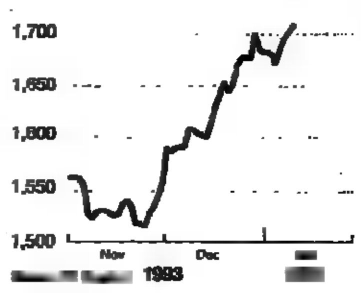
[illegible] in the week, the [illegible] run [illegible] profit-taking as fund [illegible] showed signs of turning [illegible] from the highly rated Footsie [illegible] stocks, preferring to [illegible] towards the FT-SE [illegible] list.

The re-appearance of US buyers for London equities was regarded as highly positive for the UK market and lends support [illegible] highly favourable forecasts for the first half of [illegible] from most local market analysts.

Account Dealing Dates		
*First Dealings:		
Dec 13	Jan 4	[illegible] 17
Option Declarations:		
Dec 30	Jan 13	Jan 27
Last Dealings:		
Dec 31	Jan 14	[illegible]
Account Day:		
Jan 10	Jan 24	Feb [illegible]

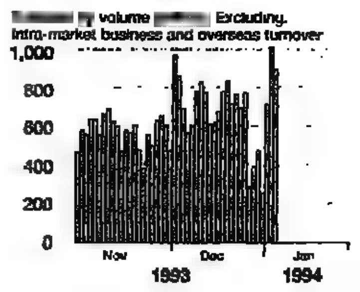
[illegible] dealings [illegible] days earlier.

FT-SE-A All-Share Index



Equity Shares Traded

[illegible] volume [illegible] Excluding intra-market business and overseas turnover



■ [illegible] Indicators

Indices and ratios		
FT-SE Mid 250	3912.5	[illegible]
FT-SE-A 350	1725.8	[illegible]
FT-SE-A [illegible]	[illegible]	[illegible]
FT-SE-A [illegible] yield	3.31	(3.36)
FT Ordinary index	2617.4	[illegible]
FT-SE-A Non Fins p/e	22.43	(22.13)
FT-SE 100 Fut [illegible]	3465.0	+41.0
10 yr [illegible] yield	6.18	([illegible].26)
Long gilt/equity [illegible]	[illegible]	(2.01)

FT-SE 100 Index	
Closing index [illegible] Jan 7	3446.0
Change [illegible]	+27.6
Jan 6	3403.0
Jan 5	3379.2
Jan 4	3408.5
High*	3446.8
Low*	3355.0

*Intra-day high [illegible]

TRADING VOLUME

■ Major Stocks yesterday

	[illegible]	Closing price	[illegible] change		[illegible]	Closing price	[illegible] change
ASDA Group†	[illegible]	62		Lonrho	[illegible]	[illegible]	+4
Abbey National†	3,900	490	-1	Lucas	2,700	208	+6½
Albert Fisher	1,500	70	-1	MEPC†	1,100	516	-4
Allied-Lyons†	[illegible]	680	+1	NFI	4,400	180	-2
Anglian Water†	1,400	555	+6	Maxwell	47	755	+14
Argos	508	383	+8	Marks & Spencer†	3,600	462	+4
Argyll Group†	4,300	305	+6	Midlands [illegible]	370	[illegible]	+20
Arjo Wiggins†	839	248	+5	Morrison (Wm.)	[illegible]	[illegible]	-3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. †Indicates an FT-SE 100 Index constituent.

EQUITY FUTURES AND OPTIONS TRADING

An uncertain opening in the derivatives [illegible] was turned to strength by the welcome re-appearance of US buyers following confirmation that the US employment figures for [illegible] were much [illegible] than feared, *writes Terry Byland.*

The [illegible] contract rose very strongly on the news, driven by demand from [illegible] of the best-known US [illegible] firms.

At best, [illegible] at a 30 point premium to cash and there was [illegible] arbitraging [illegible] equities. At the close, March stood at 3,465, still a 20-point premium to cash the and 7 on the fair value premium. Volume was heavy at 17,709 [illegible].

In traded options, where [illegible] to 54,739 contracts, the FT-SE traded 13,717 on the [illegible] in the blue chip issues, against only 9,801 on Thursday when [illegible] favoured the smaller [illegible]. The Euro FT-SE at 9,723 contracts was also busy.

■ FT-SE 100 INDEX FUTURES (LIFFE) [illegible] per full index point

	Open	Sett price	Change	High	[illegible]	Est. vol	Open int.
Mar	3427.0	3465.0	+41.0	3476.0	3413.0	17709	66037
Jun	3424.5	3477.5	+42.0	3483.0	3424.5	1444	2887
[illegible]	[illegible]	3495.0	[illegible]	[illegible]	[illegible]	[illegible]	100

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE [illegible] INDEX OPTION (LIFFE) (*3444) £10 per full index point

[illegible]

Calls 6,934 Puts 6,156

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

[illegible]

Calls 7,512 Puts 2,036 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since December 31 1993 based on Friday January 7 1994

Engineering, Vehicles	+7.93	Transport	+3.44	FT-SE-A All Share	+1.42
Retailers, Food	+6.98	Healthcare	+3.29	FT-SE-A 350	+1.34
Leisure & Hotels	+6.98	Mineral Extraction	+3.20	Spirits, Wines & Cider	+1.10
Oil Exploration & Prod	+6.42	FT-SE Mid 250	+3.20	Investment Trusts	+0.90
Life Assurance	+5.35	Breweries	+3.14	FT-SE 100	+0.81
Gas Distribution	+4.79	Print, Paper & Pckg	+3.12	Consumer Goods	+0.52
Extractive Inds	+4.54	FT-SE SmallCap ex IT	+2.91	Utilities	+0.29
Insurance	+4.51	Distributors	+2.90	Electron & El Equipmt	+0.27
Gold Mines Index	+4.35	Gen Manufacturers	+2.87	Electricity	+0.04
Food Manufacturers	+4.21	Services	+2.73	Telecommunications	-0.09
Building & Const	+4.18	Oil, Integrated	+2.69	Financials	-0.56
Textiles & Apparel	+3.92	Chemicals	+2.66	Property	-1.25
Media	+3.51	FT-SE SmallCap	+2.60	Retailers, General	-1.77
Building Mtls & Mchts	+3.50	Diversified Industrials	+2.13	Household Goods	-2.13
Engineering	+3.50	Non-Financials	+1.86	Water	-2.66
FT-SE Mid 250 ex IT	+3.48	Merchant Banks	+1.69	Banks	-3.01
Support Services	+3.46	Tobacco	+1.69	Pharmaceuticals	-3.11

FT - SE Actuaries Share Indices — The UK Series

[illegible]

■ FT-SE Actuaries All-Share

[illegible]

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3401.4	[illegible]	3398.6	3403.6	[illegible]	3421.2	3438.7	3439.8	3444.7	3446.8	3398.7
FT-SE Mid 250	[illegible]	[illegible]	3880.7	3877.8	3886.9	3891.3	3896.0	3902.6	3911.9	3912.5	3852.5
FT-SE-A 350	1702.5	1709.2	[illegible]	1706.9	1712.7	[illegible]	1720.5	1722.4	1725.2	[illegible]	[illegible]

Time of FT-SE 100 High: 3.49 pm Low: 10.05 am

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	[illegible]
Bldg & Cnstrcn	1297.2	1302.0	[illegible]	1302.4	[illegible]	[illegible]	[illegible]	1326.3	1331.3	1332.2	1293.8	-38.4
Pharmaceuticals	3103.3	[illegible]	[illegible]	[illegible]	[illegible]	3112.6	[illegible]	3115.6	3122.4	[illegible]	3141.8	-17.3
Water	1975.7	1991.2	1995.4	2018.0	2022.4	2021.2	2022.1	2021.4	2026.1	2026.1	1979.3	+46.6
Banks	[illegible]	3371.7	3331.5	3333.0	3354.2	3351.7	3369.7	3380.3	3398.8	3398.1	3373.0	+25.1

[illegible]

The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-SE Actuaries All-Share Index and the FT-SE SmallCap Index are compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1994. © The Financial Times Limited 1994. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. [illegible] CONSTITUENTS CHANGES: ADDITIONS and DELETIONS [illegible] FT-SE-A ALL SHARE INDEX on the 4th January 1994 see article on page 30 of September 25 1993, RECLASSIFICATION Calvey (54) now (79).

Ladbroke surge continues

The week's phenomenal run by Ladbroke continued [illegible] yesterday, the [illegible] gaining further support in the wake of the announcement that Mr Cyril Stein, the retiring chairman, [illegible] taking up [illegible] non-executive position [illegible] the [illegible]. Leisure analysts [illegible] surprise [illegible] strengthened the chances of the dividend being cut, a move always strongly resisted by Mr Stein, it augured well for the company's attempts to reduce its debts. As well as giving the new management a freer rein, it is also expected to hurry the appointment of other non-executive directors. There were also reports that the company would join forces with media group MAI to mount a bid for the [illegible] Lottery.

[illegible] shares jumped 1[illegible] [illegible] day's hefty turnover of 11m. The stock, which has been among a number of brokers and pundits tips of the year for 1994, has now risen nearly 20 per cent in the past four days. Mr Mark Finnie at NatWest Securities, a long-time Ladbroke supporter, said: "Clearly the [illegible] has had its concerns over Mr Stein's potential new role. We do anticipate however that this announcement signals the beginning of a more positive news flow from the company, and we expect further outperformance."

Wellcome rallies

News of the pricing structure for SmithKline Beecham's new herpes treatment Famvir saw a sharp turnaround in sentiment for [illegible] as investors [illegible] it [illegible] chances of a price war with the latter's Zovirax drug. Wellcome shares, which had been 16 adrift [illegible] stage, rallied on the news that Famvir would only be marginally cheaper than Zovirax, and [illegible] 7 [illegible] 689p. Analysts had [illegible] expecting a price differential of up to 25 per cent in favour of [illegible]. SmithKline [illegible] a [illegible] to 395p. Mr Andrew Porter at UBS said that the diminished prospects of a herpes price war was good news for both companies.

Elsewhere in the drugs sector, Medeva announced the development of a [illegible] oral vaccine for hepatitis with Proteus International. The former jumped 9 to 149p, and the latter 17 to 448p.

The strong market trend, a weighty broker's recommendation and figures from the Society of Motor Manufacturers and Traders showing an 11.6 per cent rise in the number of [illegible] cars sold last year all combined to boost the motor dealing stocks.

A buy recommendation from UBS favoured Lex Service, where the shares jumped 17 to 482p, Evans Halshaw, up 17 at 432p, and Appleyard Group, 7 better at 148p. The broker said: "We remain particularly positive on UK car dealers which are in the early stages of recovery and generally well financed." A Kleinwort Benson [illegible] continued to power Reg Vardy and the shares put on 8 to 193p.

[illegible] in T&N jumped 18 to 232p, with Credit Lyonnais reported to have had the day's big buyer. Smith New Court [illegible] recommending the stock.

[illegible] Organisation refused to comment on market rumours that the leisure group [illegible] a new non-executive chairman with its results next week. Strongly being tipped for the post is the [illegible] of [illegible] Warburg, Sir [illegible] Sholey. [illegible] shares added 3 to 1034p.

A positive note from NatWest Securities boosted several stocks in the oil sector. These included BP, 2 firmer at 373p in volume of 8.2m, while Enterprise Oil finished 7 ahead at 469p, with Smith New Court said to favour the stock.

Food [illegible] continued to attract interest. Kwik Save [illegible] helped by a UBS recommendation and the shares climbed 10 to 627p. Argyll added 6 to 305p, while William Morrison followed up good sales figures [illegible] Thursday by rising 10½ to 189½p.

Stores stocks largely shrugged off the frosty Christmas message from Dixons on Thursday. Argos, which had retreated on the former's profit warning, rebounded [illegible] to 383p. But Kingfisher [illegible] pressure on fears that its Comet subsidiary may have [illegible] fate [illegible] Dixons. The shares slid 18 to 729p. Burton slipped a penny to 67½p. Dixons [illegible] to 244p.

However, talk of strong high street sales in non-electrical goods was confirmed after the market closed by Allders, which [illegible] its December [illegible] 10 per cent higher. The shares were up 12 at 230p at the market close. Improved trading at Lloyds Chemist saw the shares add [illegible] to [illegible].

In a strong media sector, United Newspapers fell [illegible] to 662p, believed to be on a downgrading from NatWest Securities. Bid speculation [illegible] ters continued, pushing shares up 41 to 1864p.

[illegible] in Tomkins advanced 8 to 262p in trade of 4.7m. NatWest Securities yesterday issued a buy [illegible] on the stock.

Meanwhile, [illegible] Warburg upgraded its stance on the electricity sector to overweight, although cautioned on possible earnings disappointments in the spring results season. Pan[illegible] Gordon was also positive, tipping Northern Electric, up 28 to 724p, as its Rec for 1994.

Further weakness in the property majors ended a glum week for the leaders which have failed to build on their strong year-end performance. Worst hit yesterday were Land [illegible] down 2 to 77[illegible], and MEPC, off 4 to 516p.

However, Mr Robert Kynoch at NatWest Securities remains positive. "The fundamentals that supported the market in [illegible] have not changed," he [illegible].

■ Share [illegible] in the FT [illegible] now arranged according to a revised list of industry [illegible]. A full alphabetical listing of stocks together with the new sectors in [illegible] they can be found is contained in this [illegible]. An expl[illegible] of the changes can be found on [illegible] III of the [illegible] FT.

NEW HIGHS AND LOWS FOR 1993/94

NEW HIGHS (474).

BANKS (2) Allied Irish, Bank Ireland, BREWERIES (3) Eldridge, Pope 'A', Holt (J), Wetherspoon (J.D.), BUILDING & CNSTRN (21) BLDG MATLS & MCHTS (20) CHEMICALS (5) Akzo, BTP, Croda, Laporte, Perstorp, [illegible] DIVERSIFIED [illegible] ELECTRNC & ELECT EQUP (18) ENGINEERING (24) ENG. VECHICLES (10) BBA, Daimler-Benz, GKN, Laird, Lucas Inds., [illegible] Warrens, Sykone, T&N, Trinity, Volvo 'B', EXTRACTIVE INDS (23) FOOD MANUF (8) Assoc. Brit. [illegible] Banks [illegible] C.), Cadbury Schweppes, Carr's Milling, Devro, Hillsdown, Kerry Group A, Moran, Nestle', GAS DISTRIBUTION (1) Calor, HEALTH CARE (8) Community Hosp, Fermins, Isotron, Quality Care Homes, Takare, Westminster Healthcare, HOUSEHOLD GOODS (8) Airsprung Furniture, Colefax & Fowler, Creighton Naturally, Mayborn, Osborne & Little, [illegible] Wedgwood, INSURANCE (5) Bradstock, Commercial Union, General Accident, Independent Insce, Lowndes Lambert, Wills Corroon, INVESTMENT TRUSTS (103) INVESTMENT COMPANIES (7) LEISURE & HOTELS (18) LIFE ASSURANCE (3) Irish Life, Prudential, Transatlantic, MEDIA (22) [illegible] BANKS (3) Close Bros, Singer & Friedlander, Warburg (S.G.), [illegible] & PROD (4) Command Pet, Coplex Res, Monument, OGC, OIL, INTEGRATED (3) Brit Petm, Burmah Castrol, Shell Trans, OTHER FINANCIAL (12) OTHER SERVS & BUSNS (4) Calderburn, Gen Motors Uts, Nobo, Plantabrook, PHARMACEUTICALS (1) Zeneca, PRTNG, PAPER & PACKG (21) PROPERTY (23) RETAILERS, FOOD (2) Farepak, Fitzwilton, RETAILERS, GENERAL (8) Allders, Body Shop, Cartons, Christies, Smith (W. H.) A, Storehouse, Stylo, Vendome Lux Uts, SPIRITS, WINES & CIDERS (2) Grand Met., Matthew Clark, SUPPORT SERVS (14) TELECOMMUNICATIONS (4) GN Great Nordic, [illegible], Do. 'A' N-V, Vodafone, TEXTILES & APPAREL (13) Abbeycrest, Alexandra Workwear, Allied Textile, Black (P), British Mohair, French (T), Hamlet, Hicking Pent, Honeysuckle, Jacques Vert, Parkland, Yorklyde, TRANSPORT (13) Assoc Brit Ports, BAA, British Airways, Do. 9%pc Cnv, Dart, Dawsongroup, Eurotunnel Wts 1993, Forth Ports, GATX, Jacobs (J.I), Mayne Nickless, TNT, Wah Kwong, WATER (3) Bristol, East Surrey, Mid Kent, AMERICANS (3) [illegible]

(6) NEW LOWS (17).

GILTS (6) BLDG MATLS & MCHTS (1) [illegible] (1) [illegible] (1) INSURANCE (1) OIL EXPLORATION & PROD (2) OIL, INTEGRATED (1) OTHER FINANCIAL (1) AMERICANS (3) SOUTH AFRICANS (1)

■ CHIEF PRICE CHANGES YESTERDAY

[illegible]

[illegible]

Barratt Devs	[illegible]	+	14
Druck	[illegible]	+	[illegible]
Eldridge Pope	[illegible]	+	[illegible]
Hambro Ins	115	+	[illegible]
Jacques [illegible]	[illegible]	+	10
[illegible]	194	+	14
[illegible]	[illegible]	+	[illegible]
Monarch Res	[illegible]	+	12
NFC	270	+	19
Nobo	239	+	22
RMC	991	+	34
Radio Clyde	435	+	35
[illegible] Oil	172	+	[illegible]
[illegible]	118	+	[illegible]
[illegible]	[illegible]	+	7
Tarmac	192	+	[illegible]
Vardy (Reg)	[illegible]	+	8
Wace	204	+	[illegible]
[illegible]			
Glaxo	[illegible]	-	15
Hopkinsons	[illegible]	-	[illegible]
Kingfisher	729	-	[illegible]
Utd Newspapers	[illegible]	-	[illegible]

MARKET REPORTERS:
Christopher Price,
Joel Kibazo,
[illegible]olgne.

■ Other statistics, Page 21.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: *The minimum* redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (♣) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point: a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

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FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. [redacted] FT Cityline [redacted] for more [redacted]

TSB Unit Trusts (1200)F

Thornton Unit Managers Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Exempt Dec 31	141.74	147.78	—	2.47
[illegible]	158.35	165.11	—	2.49

INSURANCES

AXA Equity & Law Life Assce
Amersham Road, High Wycombe 0494 463463

Black Horse Life Assurance - Contd.

Crown Financial Management Ltd

Life Association of Scotland - Contd.

Mercury Life Assurance Co Ltd - Contd.

Professional Life Assurance Co Ltd - Contd.

Property Life Assurance Ltd

Providence Capital Life Assc. Co Ltd

Britannia Life Ltd

Canada Life Group

Century Life Plc

Abbey Life Assurance Co Ltd

Abbey National Life Plc

City of Westminster Assurance Co

Commercial Union Group

General Accident

Guardian Royal Exchange

Lifetime Assurance Co Ltd

Lincoln National

M & G Life and M & G Pensions

Midland Life Limited

NM Life Assurance Ltd

National Mutual Life

National Westminster Life Assce Ltd

London & Manchester Assurance (c)

Prudential Assurance Co

Royal Heritage Life Assurance Ltd

Premium Life Assurance Co Ltd

Professional Life Assurance Co Ltd (c)

Merchant Investors Assurance Co Ltd

Mercury Life Assurance Co Ltd

Liberty Life Assurance Co Ltd

Life Association of Scotland

Stock Horse Life Assurance

OTHER UK UNIT TRUSTS

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details

Royal Heritage Life Assurance Ltd - Contd.

Royal Life Insurance Ltd

Royal Life (Unit Linked Pensions) Ltd

Royal Life (Unit Linked Assurances) Ltd

Royal Liver Assurance

S - G - Bankers Life Assurance Co Ltd

Save & Prosper Group (c)

Scottish Amicable

Scottish Equitable plc

Scottish Life Investments

Scottish Mutual Assurance plc

Scottish Provident Group

Scottish Provident Group - Contd.

Scottish Widows' Group

Skandia Life Assurance Co Ltd (z)

Standard Life Assurance Company

Sun Alliance Group

Sun Life Unit Assurance Ltd

Swiss Life Pensions (UK) PLC

TSB Life Ltd

Target Life Assurance Co Ltd

Teachers' Assurance Company Ltd

Templeton Life Assurance Limited

Tunbridge Wells Equitable

Wesleyan Assurance Society

Windsor Life Assur Co Ltd

Woolwich Life Assurance Co Ltd

Zurich Life Assurance Co Ltd

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co

Albany International Assurance Ltd

Allied Dunbar International Assurance Ltd (z)

CIGI Insurance Co Ltd

Equitable Life (International)

Eurolife Assurance Group

Finance International Ltd

Isle of Man Assurance Ltd

Laurentian International Ltd

Lombard International Ltd

PanEuroLife societe anonyme

Providence Capital International Ltd

Royal Life Intl. Ltd

Royal Skandia Life Assurance Ltd

Scottish Provident Intl Life Ass Ltd

MANAGEMENT SERVICES

Capital Trust Financial Management

Chapel Place PLC

Fairmount Financial Services Ltd

Foster & Braithwaite Ltd

Johnson Fry Asset Managers Plc

Knight Williams & Company Ltd

Macartney & Dowie Invest Mngt Plc

Marsh Financial Management PLC

Roxborough Financial Management Ltd

Charles Stanley & Co Ltd

United Financial Corporation Ltd

J. D. Ward Financial Services Ltd

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds

Newport Investment Management

Orbex Fund Limited

CANADA (SIB RECOGNISED)

BBC Asset Management

GUERNSEY (SIB RECOGNISED)

M & G (Guernsey) Ltd

GUERNSEY (REGULATED)(**)

Royal Bank of Canada Offshore Fd Mngrs Ltd

Sarasin Funds Mngmt (Guernsey) Ltd

IRELAND (SIB RECOGNISED)

BT Fund Managers (Ireland) Ltd

ISLE OF MAN (SIB RECOGNISED)

AXA Equity & Law Intl Fund Mgrs

Allied Dunbar Intl Fund Mgrs (1600)F

IRELAND (REGULATED)(**)

BT Asset Management (Ireland) Ltd

Scottish Value Management (Ireland) Ltd (z)

Morgan Grenfell Fund Managers (Ireland) Ltd

ISLE OF MAN (REGULATED)(**)

Asset Global Funds Ltd (1200)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

Barclays Intl Funds

Citibank (CI) Ltd

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FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 [illegible] more details.

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Jan7 / US$) (3 pm)

[illegible]

EUROPE

AUSTRIA (Jan7 / Sch)

[illegible]

BELGIUM/LUXEMBOURG (Jan7 / Frs.)

[illegible]

DENMARK (Jan7 / Kr)

[illegible]

FINLAND (Jan7 / Mks)

[illegible]

FRANCE (Jan7 / Frs)

[illegible]

GERMANY (Jan7 / Dm.)

[illegible]

ITALY (Jan7 / Lire)

[illegible]

NETHERLANDS (Jan7 / Fls.)

[illegible]

NORWAY (Jan7 / Kroner)

[illegible]

SPAIN (Jan7 / Pts)

[illegible]

SWEDEN (Jan7 / Kronor)

[illegible]

SWITZERLAND (Jan7 / Frs.)

[illegible]

CANADA (Jan7 / Can. $) (3 pm)

[illegible]

AFRICA

[illegible]

PACIFIC

JAPAN (Jan7 / Yen)

[illegible]

AUSTRALIA (Jan7 / Aus$)

[illegible]

HONG KONG (Jan7 / H.K.$)

[illegible]

MALAYSIA (Jan7 / MYR)

[illegible]

SINGAPORE (Jan7 / S$)

[illegible]

Prices supplied by Telekurs

INDICES

	Jan 7	Jan 6	Jan 5	1993/4 High		1993/4 Low	
Argentina							
General (29/12/77)	[illegible]	[illegible]	20836.7	22981.00	[illegible]	12167.86	8/3/93
Australia							
All [illegible]	[illegible]	2193.0	[illegible]	2199.00	5/1/94	[illegible]	[illegible]
All Mining(1/1/80)	[illegible]	[illegible]	1072.0	1075.30	[illegible]	694.70	13/1/93
Austria							
Credit Aktien(30/12/84)	438.17	(c)	441.56	441.56	6/1/94	300.28	14/1/93
Traded Index(2/1/91)	1161.80	(c)	1168.53	1168.53	6/1/94	712.09	15/1/93
Belgium							
BEL20 (1/1/91)	1498.22	1489.41	1484.97	1498.22	7/1/94	1125.46	4/1/93
Brazil							
Bovespa (29/12/83)	(u)	44417.0	[illegible]	97300.00	28/8/93	714.72	4/1/93
Canada							
Metals Mnls.♦(1975)	(u)	3619.51	3594.26	3619.51	6/1/94	2743.31	21/1/93
Composite♦ (1975)	(u)	4425.40	4401.10	4425.40	6/1/94	3275.80	21/1/93
Portfolio§§ (4/1/83)	(u)	2088.90	2089.48	2088.90	6/1/94	1720.97	21/1/93
Chile							
IPGA Gen (31/12/80)	(u)	4139.5	4118.1	4139.60	6/1/94	2812.59	10/3/93
Denmark							
CopenhagenSE(3/1/83)	379.61	380.01	[illegible]	380.01	6/1/94	281.90	4/1/93
Finland							
HEX General(28/12/90)	1628.3	(c)	1671.3	1698.30	7/1/94	843.19	22/1/93
France							
SBF 250 (31/12/90)	[illegible]	1518.60	[illegible]	1538.72	7/1/94	1114.19	28/1/93
CAC 40(31/12/87)	[illegible]	2275.06	[illegible]	2307.55	7/1/94	1772.21	29/1/93
Germany							
FAZ Aktien(31/12/58)	837.01	842.64	854.52	855.67	4/1/94	596.92	14/1/93
Commerzbank(1/12/53)	2399.8	2417.6	2452.1	2459.00	4/1/94	1694.30	14/1/93
DAX (30/12/87)‡	2211.64	2220.22	2233.41	2267.98	3/1/94	1516.50	13/1/93
Greece							
Athens SE(31/12/80)	1077.83	(c)	1019.39	1077.83	7/1/94	667.72	5/1/93
Hong Kong							
Hang Seng(31/7/64)	11001.46	11374.50	12167.93	12201.09	4/1/94	5437.80	4/1/93
India							
BSE Sens.(1979)	3662.2	3509.4	[illegible]	3662.20	7/1/94	2109.67	23/4/93
Indonesia							
Jakarta [illegible](10/8/82)	[illegible]	609.32	612.89	612.89	5/1/94	273.31	5/1/93
Ireland							
ISEQ Overall[illegible]	2010.22	1972.08	[illegible]	2010.22	[illegible]	[illegible]	[illegible]
Italy							
Banca Comm Ital [illegible]	[illegible]	[illegible]	611.50	[illegible]	[illegible]	446.33	[illegible]
MIB General [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7/1/94	957.00	[illegible]
Japan							
[illegible] 225 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	29/11/93
[illegible]	[illegible]	272.16	[illegible]	306.84	10/11[illegible]	[illegible]	[illegible]
[illegible] (4/1/68)	[illegible]	[illegible]	1462.85	1698.67	3/9/93	[illegible]	25/1/93
2nd [illegible] (4/1/68)	1910.73	1903.41	[illegible]78	2384.97	[illegible]	[illegible]	26/1/93
Malaysia							
KLSE Comp.(4/4/86)	[illegible]	1248.69	[illegible]	[illegible]	[illegible]	614.28	[illegible]

	Jan 7	Jan 6	Jan 5	1993/4 High		1993/4 Low	
Mexico							
IPC (Nov 1978)	[illegible]	[illegible]	2557.31	[illegible]	[illegible]	[illegible]	25/2/93
Netherland							
CBS Tendency[illegible] 83)	[illegible]	[illegible]	[illegible]	[illegible]	6/1/94	208.70	[illegible]
CBS All Shr (End 83)	287.6	[illegible]	[illegible]	287.80	6/1/94	199.80	13/1/93
New Zealand							
Cap. 40 (1/7/86)	2224.16	2199.82	2192.80	2224.16	7/1/94	1495.37	21/1/93
Norway							
Oslo SE[illegible](83)	1111.45	1107.66	1109.80	1111.45	7/1/94	689.83	27/1/93
Philippines							
Manila Comp (2/1/85)	3189.50	3293.33	3231.17	3306.37	4/1/94	1279.88	4/1/93
Portugal							
BTA (1977)	2726.6	2719.4	2709.3	2726.60	7/1/94	1609.20	14/1/93
Singapore							
SES All-S'pore(2/4/75)	626.47	633.62	637.55	641.61	4/1/94	384.10	13/1/93
South Africa							
JSE Gold (28/9/78)	2289.0♥	2259.0	2323.0	2331.00	4/1/94	775.00	5/1/93
JSE Indl. (28/9/78)	5760.0♥	5719.0	5699.0	5750.00	7/1/94	4333.00	19/4/93
South Korea							
KoreaCmpEx(4/1/80)**	895.25	893.17	888.93	895.25	7/1/94	608.93	6/3/93
Spain							
Madrid SE (30/12/85)	325.51	(c)	324.22	327.16	3/1/94	218.60	4/1/93
Sweden							
AffarsvarldnGen (1/2/37)	1475.0	(c)	1438.8	1475.00	7/1/94	878.10	29/1/93
Switzerland							
Swiss Bk Ind (31/12/58)	1352.33	1341.54	1331.87	1352.33	7/1/94	804.80	11/1/93
SBC General (1/4/87)	1045.80	1038.42	1031.99	1045.80	7/1/94	678.70	11/1/93
Taiwan							
WeightedPr.(30/6/66)**	6200.59	6454.52	6416.64	6454.52	6/1/94	3098.43	9/1/93
Thailand							
Bangkok SET (30/4/75)	1575.43	1667.94	1709.64	1753.73	4/1/94	[illegible]	1/6/93
Turkey							
Istanbul Cmp.(Jan 1986)	23694.7	22929.1	22116.3	23694.70	7/1/94	3865.53	1/1/93
WORLD							
MS Capital Int (1/1/70)	604.2*	602.0	602.6	607.10	15/10/93	488.80	13/1/93
CROSS-BORDER							
Eurotrack 100(26/10/90)	[illegible]	1481.29	[illegible]	1485.12	7/1/94	1063.02	[illegible]
Euro Top-100[illegible]	1250.18	[illegible]	1235.43	1250.18	[illegible]	[illegible]	[illegible]
JCapeMinrs (31/12/88)	(u)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barings Emerg.(7/1/92)	170.97	172.25	171.92	172.25	[illegible]	99.81	4/2/93

** Sat Dec 18: Taiwan Weighted Price 5202.14, Korea Comp Ex 884.00. Base values of all indices are 100 except: Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall, [illegible] & Minerals and DAX - all 1,000; JSE Gold - 255.7; JSE 26 Industrials - 264.3, NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index. Jan 7 - 2224.85 +4.32.

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	[illegible]	[illegible]	[illegible]	2320.0	2268.0	23,[illegible]	[illegible]
[illegible]	[illegible]	2332.5	[illegible]	2330.0	2292.0	556	1,103
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2296.0	862	30,627
Jun	-	2339.5	+35.5	-	-	-	1,687

Open [illegible] previous day.

US INDICES

Dow Jones	Jan 6	Jan 5	Jan [illegible]	1993/4 [illegible]	1993/4 Low	[illegible] High	[illegible] Low
Industrials	3803.88	[illegible]	3783.90	[illegible] (6/1/94)	[illegible] (29/1/93)	[illegible] (6/1/94)	41.22 [illegible]
[illegible] Bonds	104.80	[illegible]	[illegible]	[illegible] (10/12/93)	[illegible] (11/1/93)	111.29 (10/12/93)	[illegible] (1/10/81)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (6/1/94)	1453.84 (4/1/93)	1802.21 (6/1/94)	[illegible] (8/7/32)
Utilities	221.20	224.03	225.60	256.46 (31/8/93)	217.14 (8/1/93)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's [illegible] 3843.84 (3821.35) Low 3771.62 (3750.41) (Theoretical♦)
Day's high [illegible] (3796.62) Low 3798.25 (3771.80) (Actual♦)

Standard and [illegible]							
Composite ‡	467.12	467.55	466.89	470.94 (28/12/93)	439.05 (8/1/93)	470.94 (28/12/93)	4.40 (1/6/32)
Industrials	544.77	544.88	542.81	544.88 (5/1/94)	496.48 (26/4/93)	544.88 (5/1/94)	3.62 (21/6/32)
Financial	43.52	43.74	43.87	48.40 (29/9/93)	39.88 (8/1/93)	48.40 (29/9/93)	8.64 (1/10/74)
NYSE Comp.	258.00	258.31	258.87	260.67 (29/12/93)	236.21 (8/1/93)	260.67 (29/12/93)	4.46 (25/4/42)
Amex Mkt Val	479.00	478.79	477.38	484.28 (3/11/93)	395.84 (8/1/93)	484.28 (3/11/93)	29.31 (9/12/72)
NASDAQ Comp	780.41	[illegible]05	774.28	787.42 (15/10/93)	645.87 (26/4/93)	787.42 (15/10/93)	54.87 (31/10/72)

■ RATIOS

	Dec 31	Dec 17	Dec 10	Year ago
Dow Jones Ind. Div. Yield	2.68	2.67	2.67	3.14
	Jan 5	Dec 29	Dec 22	Year ago
S & P Ind. Div. yield	2.38	2.38	2.40	2.58
S & P Ind. P/E ratio	27.72	27.21	27.43	26.85

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	467.55	467.90	+0.05	468.90	467.50	45,811	183,084
Jun	469.60	468.80	-	469.80	468.80	130	3,722
Sep	470.80	470.00	-	471.40	470.00	6	811

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Thursday	Stocks [illegible]	Close price	Change on day
Circ City	7,599,100	17⅞	[illegible]
K Mart	8,733,400	19⅞	-1⅛
Wal-Mart	5,434,100	24½	-1
Borden	4,625,000	15⅛	-⅛
Am Express	4,096,575	29⅞	-⅛
Am T & T	4,052,500	53⅞	+1⅞
Merck	3,940,600	36⅞	-⅛
Telefonos	3,909,600	67⅞	-⅛
Brunswick	3,474,300	20	+1⅞
Best Buy	3,389,300	40	-7⅞

■ [illegible] ACTIVITY

● Volume (million)

	[illegible]	[illegible]	Jan 4
New York SE	[illegible]	375.134	[illegible]
[illegible]	[illegible]	[illegible]	19.329
NASDAQ	349.306	349.890	318.602
NYSE			
Issues Traded	2,[illegible]15	2,738	2,710
[illegible]	1,060	1,195	1,208
Falls	1,039	979	916
Unchanged	616	564	586
New Highs	120	112	59
New Lows	25	36	30

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's) ♥ Subject to official recalculation.

FT FREE ANNUAL REPORTS SERVICE [illegible]

هكذا منه الأصل

WORLD [redacted] MARKETS

AMERICA

Dow rallies on labour market growth

Wall Street

[redacted] climbing [redacted] uncharted territory in the previous session, US [redacted] extended their [redacted] yesterday morning as the bond market rallied on news [redacted] restrained growth in the labour market, *writes* [redacted] *McGurty in New York.*

By 1 pm, the Dow Jones Industrial Average was [redacted] higher at 3,810.92, while the more broadly based Standard & Poor's 500 was 1.35 ahead at 468.47. The secondary markets logged, with the American SE composite 0.15 down at 478.85, and the Nasdaq composite 0.48 lower at 779.93.

In keeping with a week-long trend, volume on the NYSE was heavy. About 187m shares were exchanged by 1 pm.

The market opened on a firm, but subdued [redacted] An inclination [redacted] consolidate [redacted] a gain of over 55 points in the new year was [redacted] against fresh optimism on the direction of the US Treasury market.

Brazilian shares rose by 6.1 per cent in heavy trade by 1600 local time after a succession of sizeable gains this week, the Bovespa index rising 2,726 [redacted] 47,143 on optimism ahead of [redacted] Congressional vote [redacted] the economy minister, Mr Fernando Henrique Cardoso's economic plan.

Cash poured into bonds after the Labor Department reported [redacted] December non-farm payrolls had risen by 183,000, well [redacted] consensus forecast, but indicative of healthy growth. With concern [redacted] inflation eased, the 30-year benchmark government [redacted] was trading [redacted] higher at 99⅔ by midday.

Despite this, the Dow failed [redacted] make significant headway [redacted] mostly traded in a [redacted] just above their opening values. However, the improved outlook [redacted] interest rates helped [redacted] sectors which have underperformed the market in [redacted] weeks. In banking, JP Morgan climbed [redacted] to [redacted] Trust [redacted] $78¾, Chemical Bank $1 [redacted] and [redacted] Chicago [redacted] to $42¼.

Blockbuster Entertainment, one of the most active NYSE issues, [redacted] set back $1¼ [redacted] amid reports that it is negotiating a [redacted] with Viacom as part of the latter's strategy [redacted] acquire Paramount Communications. Viacom shed [redacted] to $46, while Paramount added [redacted] to $79¾. QVC, which [redacted] expected to [redacted] the takeover battle, jumped $2¼ to 41¾.

Rite Aid, the largest US drugstore chain, picked up [redacted] to $18¼ after announcing a [redacted] closure and restructuring programme.

Among semiconductor stocks, Advanced Micro [redacted] marked down [redacted] after reporting a downturn in fourth-quarter earnings. Motorola lost $1 [redacted]

Texas Instruments slipped $¼ [redacted] $67½ in spite [redacted] a Salomon Brothers forecast of [redacted] demand for certain of [redacted] products. By contrast, Micron Technology gained $1½ to [redacted] on a similar [redacted]

Canada

Toronto [redacted] slightly at midday as a falling precious metals sector offset gains in energy and forestry [redacted] TSE 300 composite index fell 2.29 [redacted] 4,423.14 in turnover of C$543.86m.

EUROPE

Bourses stage turnround after early gloom

Yesterday morning was gloomy, as Mr Albert Edwards, the Kleinwort Benson [redacted] gist, reduced his weighting for Europe excluding the UK by a swingeing [redacted] percentage points, from [redacted] 8 [redacted] cent.

However, bourses staged [redacted] turnround in the afternoon following the fall in US December unemployment figures, [redacted] *Staff.*

FRANKFURT [redacted] from [redacted] of 8.58 [redacted] 2,211.64 [redacted] session, down [redacted] on [redacted] week, [redacted] at [redacted] the post-bourse. Mr [redacted] Longley [redacted] Commerzbank [redacted] that there was [redacted] lot of short covering after the US unemployment figures.

Turnover rose from DM8.2bn to DM10.8bn. Metallgesellschaft was requoted, falling DM52.50 to [redacted] and recovered [redacted] token [redacted] of that in [redacted] afternoon. Deutsche Bank, with apparently [redacted] greatest banking [redacted] the debacle, recovered DM4 [redacted] DM863 on the session, and another [redacted] to DM870.50 after hours.

Commerzbank announced a deep discount rights [redacted] and a rise in dividend which put it on a high, 4¼ per cent yield to German shareholders. It rose DM2.80 on the session, to [redacted] and [redacted] DM391 later. Mr [redacted] Thorne, banking analyst with [redacted] Capital Markets in London, [redacted] "Commerzbank was under-provided [redacted] LDC risks a couple of [redacted] ago," he said, "and [redacted] must [redacted] a suspicion [redacted] market [redacted] lagging [redacted] in provisions [redacted] bad [redacted] doubtful [redacted] in the [redacted] porate sector."

PARIS posted [redacted] strong afternoon rebound which [redacted] the CAC [redacted] index 32.4 higher [redacted] 2,307.55, up 1.7 per [redacted] on [redacted] week in heavy turnover of FFr7.4bn.

Automotive stocks, higher in [redacted] on hopes [redacted] government support [redacted] industry, led the gains with Peugeot up FFr42, or 5.4 per cent [redacted] and Michelin FFr11.80, or 5.5 [redacted] at FFr226.10.

Metaleurop [redacted] FFr77.40 after FFr73.30, and being suspended [redacted] at [redacted] point; Eurotunnel [redacted] FFr2.25 to [redacted] on profit-taking [redacted] of steady gains.

ZURICH [redacted] at [redacted] consecutive record high with firmer [redacted] bond and equity [redacted] providing late support. [redacted] SMI index [redacted] 21.0 [redacted] 3,042.9 for [redacted] week [redacted] 2.9 per cent.

Nestlé, [redacted] higher at SFr1,343, topped [redacted] active list, [redacted] other leaders included UBS, up SFr17 [redacted] SFr1,399, and [redacted] certificates, SFr105 higher [redacted] SFr6,490.

Further [redacted] for cyclicals took Georg Fischer bearers SFr75 higher [redacted] SFr1,300 [redacted] Brown Boveri firmed SFr21 [redacted] SFr1,150. However, Sulzer which rose strongly [redacted] this week, shed SFr10 [redacted] on profit-taking.

[redacted] in Holderbank fell SFr20 [redacted] SFr965 after the cement producer [redacted] planned [redacted] in Holnam, the US subsidiary, [redacted] 95 per [redacted]

AMSTERDAM ended an active week in [redacted] but [redacted] managed [redacted] climb [redacted] earlier lows [redacted] cumulative [redacted] per cent gain on [redacted] its [redacted] five [redacted] The index added [redacted] to close at 424.02, having posted [redacted] early intraday high of 425.41.

KLM began firm before [redacted] burst of British buying [redacted] the shares [redacted] per [redacted] in about 30 minutes [redacted] speculation that [redacted] widely expected share issue may [redacted] imminent. After a day's high of Fl 45.00 they edged back [redacted] finish Fl 1.50 [redacted] Fl 44.60.

MILAN succumbed [redacted] immediate political worries and [redacted] Wednesday's parliamentary [redacted] of confidence [redacted] the Comit index [redacted] 14.6 [redacted] 2.4 [redacted] The index [redacted] by [redacted] per [redacted] week.

Montedison [redacted] trading, [redacted] it has all week, dipping [redacted] L885.90. Heavy arbitrage with its rights issue accounted for volume of [redacted] shares. Ferruzzi shed L252 [redacted] 15.5 per [redacted] L1,427 also amid arbitrage with its rights. Monday is [redacted] day [redacted] both [redacted] calls.

BRUSSELS [redacted] yet another high, [redacted] ending [redacted] 1,498.22 [redacted] a gain of 1.7 [redacted] on [redacted] week, helped by an [redacted] cut late on Thursday by [redacted] Banque [redacted] Belgique.

STOCKHOLM found firm demand which [redacted] general index [redacted] or [redacted] cent higher [redacted] record 1,475.0.

Hennes [redacted] Mauritz, [redacted] retailer, closed [redacted] nearly 10 per cent higher [redacted] expectations that [redacted] controversial advertising [redacted] paign could have the same impact [redacted] as [redacted] years ago [redacted] featured [redacted] model, Cindy Crawford.

[redacted] shares in Gambro, the [redacted] equipment company rose SKr14 [redacted] expectations of strong growth in [redacted] price.

ATHENS [redacted] 5.7 per cent higher on the day and [redacted] per cent better on the week, [redacted] general index closing [redacted] higher [redacted] 1,077.83 [redacted] and sentiment grounds.

[redacted] and edited [redacted] William [redacted] and Michael [redacted]

SOUTH AFRICA

Resilient gold [redacted] took [redacted] overnight fall in the bullion price in their [redacted] heading higher again. The gold [redacted] added [redacted] 2,289.98. Industrials rose 31 to 5,750, [redacted] the overall index put [redacted] 20 to [redacted]

FT-SE Actuaries Share Indices

Jan 7						THE EUROPEAN SERIES	
Hourly changes	[redacted]	[redacted]	11.00	[redacted]	[redacted]	[redacted]	[redacted]
FT-SE Eurotrack 100	[redacted]	1471.40	1471.41	[redacted]	[redacted]	[redacted]	[redacted]
FT-SE Eurotrack 200	[redacted]	[redacted]	[redacted]	1544.97	[redacted]	[redacted]	[redacted]
		[redacted] 6	Jan. 5	[redacted] 4	[redacted]	[redacted]	
FT-SE [redacted] 100		[redacted]	1473.05	1479.29	[redacted]	[redacted]	
FT-SE [redacted] 200		[redacted]	1540.12	[redacted]	[redacted]	1547.64	

Base value 1000 [redacted] High/day: 100 - 1486.66; 200 - 1560.01 Low/day: 100 - 1469.96 200 - [redacted]

Analysts differ on US equity targets in 1994

Patrick Harverson on the outlook for Wall Street

Although the US [redacted] market posted solid enough gains in [redacted] (the [redacted] Jones Industrial Average rose [redacted] 14 per cent and the Standard & Poor's 500 by 7 [redacted] cent), they paled in comparison to [redacted] stellar performance of many overseas equity markets.

[redacted] Street last [redacted] behind the main bourses in Europe, where share prices [redacted] by an average of [redacted] cent, primarily [redacted] the US was [redacted] different stage in the [redacted] cycle.

Having fallen sharply in 1991 and [redacted] lised in [redacted] US [redacted] year, albeit at historically very low levels. In comparison, interest [redacted] in Europe were still [redacted] throughout 1993.

What [redacted] more, European [redacted] look [redacted] if they have further to fall as Germany, France, [redacted] to [redacted] extent, the UK, [redacted] monetary policy [redacted] economic growth. In the US, however, rates can only [redacted] one way: up. That means [redacted] again [redacted] outshone by foreign markets in [redacted] although stocks in Europe will find [redacted] tough [redacted] match last year's returns.

So what [redacted] strategists [redacted] the top securities houses on Wall [redacted] expect [redacted] market [redacted] do this year? Although there [redacted] a reasonable [redacted] about how [redacted] will perform – [redacted] former will [redacted] but [redacted] particularly strongly, while [redacted] latter will rise, [redacted] not particularly [redacted] – and [redacted] general agreement [redacted] corporate earnings will [redacted] improve, [redacted] differences [redacted] how share prices will move.

Wall Street's most well-known optimist [redacted] Garzarelli, the high-profile market analyst [redacted] Lehman Brothers, [redacted] expects stocks to rise between 10 per cent and 15 per cent this year. [redacted] her most optimistic [redacted] is met, the [redacted] will end the [redacted] at over 4,300, and the S [redacted] P at 535.

[redacted] is [redacted] the expectation [redacted] short-term [redacted] rates will [redacted] by much in 1994. Although [redacted] health of the economy will continue to improve, inflation will remain unthreatening (primarily because of low oil prices), so market and Fed pressure on interest [redacted] will not [redacted] particularly strong.

The only thing that could unsettle the market seriously, [redacted] Ms Garzarelli, would [redacted] a big rise in long-term [redacted] rates – like a jump in the 30-[redacted] Treasury bond yield from its [redacted] per cent to 7.2 per cent. This, [redacted] says, is unlikely.

At the other end of [redacted] spectrum [redacted] Shulman, [redacted] equity strategist at Salomon Brothers, who [redacted] distinctly [redacted] Mr Shulman [redacted] Dow forecast, but expects the [redacted] 500 [redacted] in [redacted] and [redacted] (the index is currently trading around 467).

> **Although there is [redacted] reasonable consensus about how the economy and interest rates will perform over the next 12 months, and [redacted] general agreement that corporate earnings will continue to improve, there are differences over how share prices will [redacted]**

His reasoning for the gloomy prognosis [redacted] simple. In 1993, [redacted] market performed well because [redacted] four factors: a [redacted] in-a-generation long [redacted] rally; [redacted] decline in the price [redacted] oil; 18 [redacted] growth in corporate operating profits; and [redacted] friendly Federal Reserve. None of these positive influences, however, will [redacted] present [redacted] year, says Mr Shulman.

Instead, he believes [redacted] Fed will tighten monetary policy, the bond market will not rally, the oil price will hold near [redacted] levels, [redacted] operating profits will grow by only 11 per cent. Liquidity will [redacted] shrink, as [redacted] in [redacted] slows [redacted] the flow of [redacted] out of short-term [redacted] and into equities. "Everybody's complacent" about market prospects, he warns.

In between Ms Garzarelli and Mr Shulman lie [redacted] majority of Wall [redacted] forecasts. One of the more bullish firms [redacted] Warburg, which has [redacted] target [redacted] 4,200 on [redacted] Dow and 530 [redacted] the S&P. Like [redacted] Garzarelli, the Warburg analysts Gail Dudack and Jennifer Ludington are confident that inflation will remain low during the year. Like [redacted] others, they [redacted] envisage solid profitability gains by [redacted] companies.

Abby Cohen, the chief strategist [redacted] Goldman Sachs, sits roughly in [redacted] middle [redacted] the forecasting range. [redacted] looking for stocks [redacted] rise about 10 per cent. She [redacted] point, echoed [redacted] Wall Street, that equities will be increasingly decoupled from [redacted] bond market. Unlike [redacted] when the bond market rally kept share prices buoyant, [redacted] expects equities significantly to outperform bonds.

Where Ms [redacted] out from the crowd, however, [redacted] in her assertion [redacted] are undervalued by as much [redacted] 15 per [redacted] on the S & P in relation [redacted] inflation [redacted] interest [redacted] explains: "Our valuation approaches [redacted] key assumption [redacted] willing to pay [redacted] for a given [redacted] of earnings, [redacted] flow [redacted] dividends when inflation and [redacted] are not troublesome." Hence she [redacted] inflation and bond yields will [redacted] low in [redacted]

As [redacted] Wall [redacted] analysts have [redacted] say about particular sectors in [redacted] market, the central message to investors [redacted] with economically-sensitive stocks, stay away from [redacted] rate-sensitive stocks, look [redacted] for companies with exposure [redacted] should be an improving European [redacted] keep [redacted] eye on the [redacted] and media sector, especially [redacted] companies [redacted] will provide [redacted] programming [redacted] the [redacted]

ASIA PACIFIC

Plunge in Bangkok leads region's losses

Tokyo

Last minute arbitrage buying pushed up share prices, and the [redacted] closed above the 18,000 level for the first [redacted] since December 17, *writes* [redacted] *Terazono in Tokyo.*

[redacted] 225-issue [redacted] rose 242.02 [redacted] 18,124.01 after a low [redacted] 17,787.48 and a high of 18,131.41. [redacted] Topix index of all first section stocks rose 11.75 to 1,481.02.

Trading was dull, with financial institutions [redacted] corporate investors taking small lot profits. However, [redacted] in the futures market in [redacted] afternoon triggered [redacted] late flurry [redacted] buying. US mutual and pension funds were placing buying orders in laggard stocks.

Volume totalled [redacted] against 362m. Advances outpaced declines by 640 to 381, with 148 unchanged. In London, [redacted] ISE/Nikkei [redacted] rose [redacted] 1,237.12.

Afternoon reports [redacted] the government was considering reducing the securities trading tax as part [redacted] emergency economic package also generated buying.

Telecommunications related stocks [redacted] to rise on the government's plans to refurbish the country's [redacted] system to allow multi-media access, revealed on Thursday. NEC, the most active issue of [redacted] day, [redacted] Y56 [redacted] Y962 and [redacted] by [redacted] Y787,000.

Drug and bio-technology [redacted] were higher on reports that [redacted] government will provide financial aid [redacted] developing countries facing the spread of the Aids virus. Ajinomoto, a foods manufacturer developing an anti-Aids drug, rose Y30 to Y1,360.

Some export oriented stocks, which have been supported by foreign buying [redacted] ground on profit taking. Sony fell Y40 [redacted] Y5,750.

In Osaka, [redacted] OSE average [redacted] to 19,851.16 in volume of 31.3m [redacted]

Roundup

Aggressive profit-taking [redacted] to sharp falls across [redacted] Rim as Kleinwort [redacted] added its [redacted] advising [redacted] their [redacted]

BANGKOK saw heavy selling by [redacted] individuals and the [redacted] index plunged 92.51 [redacted] per [redacted] 1,575.43 in hefty turnover [redacted] Bt33.74bn.

KUALA LUMPUR [redacted] in [redacted] profit-taking [redacted] second straight day [redacted] the composite index fell 4.6 [redacted] cent, taking the cumulative two day fall to 10.1 per cent. The composite [redacted] up [redacted] 1,190.73 for [redacted] per [redacted] fall [redacted] week.

MANILA shed 4.1 [redacted] as profit-taking took hold after PDLT's [redacted] fall to [redacted] on Wall Street. The composite index fell [redacted] to 3,159.56.

TAIWAN plunged [redacted] per [redacted] on heavy profit-taking in a correction from [redacted] bull run which saw [redacted] index [redacted] in [redacted] previous eight [redacted]

The index opened slightly higher but soon fell and [redacted] 253.93 down [redacted] still 2.1 per [redacted] up on [redacted] week.

HONG KONG [redacted] a 3.3 per [redacted] fall as local [redacted] took profits, [redacted] cumulative [redacted] day [redacted] per [redacted] The Hang Seng [redacted] 11,001.48, [redacted] a day's low [redacted] 10,611.73, in record turnover [redacted] a provisional HK$15.23bn. The [redacted] per [redacted] in [redacted] week.

[redacted] futures [redacted] was [redacted] sharply with [redacted] January [redacted] down 260 [redacted] 10,330.

AUSTRALIA share market fell [redacted] the first [redacted] in more than [redacted] weeks, as investors [redacted] profits in blue chip issues. The All Ordinaries index [redacted] 14.3 down at 2,186.0, 0.6 per cent higher [redacted] the week.

[redacted] closed lower for the third straight day, and the [redacted] Times Industrials index fell 21.86 to 2,366.40, 2.4 per cent lower [redacted] the week, but well above the intra-day low of 2,304.62.

JAKARTA closed lower in slow late trading, with profit-taking dampening sentiment. The market index fell 1.63 [redacted] but was still 3.2 per cent higher this week.

[redacted] surged [redacted] foreign investors [redacted] domestic institutions bought a [redacted] spectrum of shares after the exchange fixed carry forward costs at [redacted] than expected 2.0-2.25 per cent. The BSE-30 index [redacted] 152.73 [redacted] 4.3 per cent [redacted] 3,662.20.

SEOUL moved higher for the third consecutive session in spite [redacted] selling pressure from the Korea [redacted] Market Stabilisation Fund which eclipsed an early advance. The composite stock [redacted]

NEW ZEALAND closed [redacted] a 51-month high, the NZSE-40 capital index rising 25.34 [redacted] 2,224.16, up 1.6 per cent on [redacted] week.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS. Figures in parentheses show number of lines of stock	THURSDAY JANUARY 6 1994: US Dollar Index	Day's Change %	Pound Sterling [redacted]	Yen [redacted]	DM [redacted]	Local Currency [redacted]	[redacted] % chg on day	[redacted] Div. Yield	WEDNESDAY JANUARY [redacted] 1994: US [redacted] Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX: [redacted] High	[redacted] Low	[redacted] (approx)
Australia (69)	170.45	-0.3	[redacted]	[redacted]	154.17	[redacted]	+0.2	3.11	[redacted]	[redacted]	121.84	154.62	[redacted]	[redacted]	117.39	[redacted]
Austria (17)	187.17	+0.0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.94	[redacted]	[redacted]	133.43	[redacted]	[redacted]	[redacted]	131.16	[redacted]
Belgium (42)	164.66	+0.5	164.06	117.14	148.93	[redacted]	[redacted]	[redacted]	[redacted]	163.49	116.83	[redacted]	[redacted]	[redacted]	131.19	132.44
Canada (107)	139.76	+0.1	139.25	[redacted]	[redacted]	133.79	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	126.27	[redacted]	[redacted]	111.41	113.70
Denmark (32)	256.21	-0.2	255.29	[redacted]	[redacted]	[redacted]	-0.2	0.96	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	256.60	185.11	191.69
Finland (23)	130.66	+0.0	130.19	92.97	118.18	[redacted]	+0.0	[redacted]	[redacted]	[redacted]	[redacted]	118.19	[redacted]	[redacted]	65.50	74.33
France (99)	177.01	+0.9	[redacted]	[redacted]	[redacted]	[redacted]	+1.0	[redacted]	175.44	[redacted]	[redacted]	[redacted]	162.43	179.49	142.72	[redacted]
Germany (59)	137.78	-0.6	[redacted]	[redacted]	[redacted]	124.61	[redacted]	[redacted]	138.58	[redacted]	98.77	[redacted]	[redacted]	[redacted]	[redacted]	103.06
Hong Kong (55)	472.32	-6.6	470.60	336.04	[redacted]	[redacted]	[redacted]	2.33	[redacted]	[redacted]	360.31	[redacted]	[redacted]	[redacted]	[redacted]	222.83
Ireland (14)	196.87	+1.8	196.15	140.07	178.06	[redacted]	+1.8	2.91	[redacted]	[redacted]	[redacted]	175.00	191.07	[redacted]	129.28	143.60
[redacted]	67.69	+0.3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	67.29	[redacted]	61.02	[redacted]	[redacted]	53.78	[redacted]
Japan (469)	131.55	+0.6	131.07	[redacted]	119.00	93.59	+0.4	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	165.91	100.75	104.01
Malaysia (69)	592.53	-4.7	[redacted]	421.55	535.90	[redacted]	-4.6	1.21	[redacted]	620.03	443.06	[redacted]	[redacted]	621.63	251.66	263.18
Mexico (18)	2433.51	+3.9	[redacted]	1731.39	[redacted]	8261.39	+3.9	[redacted]	2341.89	2335.89	[redacted]	2118.40	[redacted]	[redacted]	1410.30	1725.81
Netherland (26)	203.43	+1.0	[redacted]	144.74	184.00	[redacted]	[redacted]	[redacted]	201.47	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	150.39	152.37
New Zealand (14)	57.68	-1.1	[redacted]	[redacted]	61.22	[redacted]	-0.1	3.63	[redacted]	[redacted]	[redacted]	61.88	[redacted]	68.41	40.56	42.31
Norway (23)	188.54	+0.1	187.86	134.14	[redacted]	191.68	-0.1	[redacted]	[redacted]	187.91	[redacted]	170.41	[redacted]	188.54	137.71	143.35
Singapore (45)	369.84	-2.4	[redacted]	[redacted]	[redacted]	[redacted]	-2.8	[redacted]	378.92	[redacted]	270.09	[redacted]	279.27	378.92	207.04	213.93
South Africa (60)	277.22	+0.4	[redacted]	197.23	[redacted]	[redacted]	-0.7	[redacted]	276.14	275.43	[redacted]	249.78	262.40	277.22	144.72	152.83
Spain (42)	137.24	-0.4	[redacted]	97.65	[redacted]	151.10	+0.0	3.96	[redacted]	[redacted]	[redacted]	[redacted]	151.10	145.24	115.23	117.98
Sweden (36)	204.37	+0.3	203.63	145.41	[redacted]	247.76	[redacted]	1.41	203.72	[redacted]	145.21	[redacted]	[redacted]	208.92	149.70	163.72
Switzerland (49)	165.14	+1.1	[redacted]	[redacted]	[redacted]	150.96	[redacted]	[redacted]	163.32	162.91	[redacted]	147.76	[redacted]	165.86	108.91	110.33
United Kingdom (215)	206.14	+0.9	205.39	[redacted]	[redacted]	205.39	+0.8	3.50	[redacted]	[redacted]	145.64	[redacted]	[redacted]	209.10	162.00	174.02
USA (518)	190.00	-0.1	189.31	135.19	[redacted]	[redacted]	-0.1	2.75	[redacted]	[redacted]	[redacted]	172.03	[redacted]	191.68	175.38	[redacted]
Europe (746)	170.71	+0.6	170.09	121.46	[redacted]	165.61	[redacted]	[redacted]	[redacted]	[redacted]	120.96	[redacted]	[redacted]	172.29	133.92	136.11
Nordic (114)	197.59	+0.1	[redacted]	140.58	178.71	207.97	+0.0	1.20	197.30	[redacted]	[redacted]	[redacted]	[redacted]	197.59	142.13	[redacted]
Pacific Basin (721)	146.07	-0.3	[redacted]	[redacted]	132.12	[redacted]	[redacted]	1.15	[redacted]	146.21	[redacted]	132.60	107.61	168.60	105.89	[redacted]
Euro-Pacific (1467)	156.17	+0.1	155.60	111.10	141.24	129.51	+0.0	1.87	[redacted]	155.66	111.22	141.16	[redacted]	162.86	117.26	119.77
North America (625)	188.85	-0.1	[redacted]	[redacted]	[redacted]	[redacted]	-0.1	2.73	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	188.13	171.51	172.17
Europe Ex. UK (531)	148.55	+0.4	148.01	105.71	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	147.56	[redacted]	133.87	141.82	150.04	112.51	113.71
Pacific Ex. Japan (252)	284.23	-4.1	[redacted]	202.26	[redacted]	[redacted]	-4.0	2.30	[redacted]	[redacted]	211.27	[redacted]	273.51	296.36	152.70	154.35
World Ex. US (1652)	158.64	+0.1	158.06	112.87	[redacted]	133.02	[redacted]	1.87	158.41	[redacted]	112.92	[redacted]	[redacted]	162.89	118.51	[redacted]
World Ex. UK (1955)	164.47	+0.0	163.87	117.02	[redacted]	[redacted]	-0.1	2.05	164.54	164.12	[redacted]	[redacted]	145.77	168.66	134.22	135.22
World Ex. So. Af. (2110)	167.41	+0.0	166.80	[redacted]	[redacted]	[redacted]	+0.0	[redacted]	167.33	[redacted]	119.28	[redacted]	149.69	170.46	137.29	[redacted]
World Ex. Japan (1701)	188.82	-0.1	188.13	[redacted]	[redacted]	165.20	[redacted]	[redacted]	189.06	188.58	134.77	171.05	[redacted]	189.49	157.47	158.13
The World Index (2170)	168.08	+0.1	167.48	119.60	[redacted]	150.77	[redacted]	2.20	[redacted]	[redacted]	[redacted]	151.98	150.79	170.68	[redacted]	138.58

Following the merger of Banco Lariano, B.P.L. and San Paolo (all Italian), by way of [redacted] share exchange, the free float of the latter will be increased to 33.15%. Consequently the full share capital of San Paolo will be used in the index with effect 13/1/94. Deletion (13/1/94): Banco Lariano (Italy). Latest prices were unavailable for this edition. Markets closed 6/1/94: Austria, Finland, Italy, Spain and Sweden.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jan	Apr	Jul	Puts Jan	Apr	Jul
Allied-Lyons	650	27½	48½	57½	7	21	35½
[redacted]	700	6	25	33	38½	46	63½
[redacted]	300	12	25	31½	6½	17	25½
[illegible]							

RISES AND FALLS YESTERDAY

	On Friday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	59	9	10	214	241	91
Other Fixed Interest	[redacted]	0	15	[redacted]	1	[redacted]
Mineral Extraction	68	59	62	516	273	663
General Manufactures	327	50	[redacted]	[redacted]	499	2,538
Consumer Goods	[redacted]	21	90	430	175	701
Services	233	82	242	1,212	404	[redacted]
Utilities	39	2	5	148	[redacted]	[redacted]
Financials	158	51	166	[redacted]	358	1,542
[redacted]	188	60	[redacted]	[redacted]	358	[redacted]
Others	72	33	35	277	215	219
Totals	1,227	337	1,187	6,569	2,659	[redacted]

Data based on [redacted] listed on the London Share [redacted]

LONDON RECENT ISSUES: EQUITIES

[redacted] price p	[redacted] paid up	[redacted] cap (£m.)	1993/94 [redacted]	Low	[redacted]	[redacted] price p	+/-	Net div.	Div. [redacted]	[redacted]	P/E [redacted]
[redacted]	F.P.	[redacted]	102	[redacted]	[redacted] C	100½		-	-	-	-
[redacted]	F.P.	[redacted]	102	[redacted]	[redacted] Lloyds	96	[redacted]	-	-	-	-
100	F.P.	[redacted]	[redacted]	[redacted]	[redacted] Insce	107		-	-	-	-
[illegible]											

RIGHTS OFFERS

[illegible]

FINANCIAL TIMES EQUITY INDICES

[illegible]

TRADITIONAL OPTIONS

First Dealings Dec. 20 Last [redacted] March 24
Last Dealings Jan. 7 For settlement April 8

[redacted] ACT, ASDA, Baldwin, Carlisle, Greycoat, Hazlewood Foods, Middlesex Group, Monarch Res., Pelson, Tilaghur. Puts: Pelson, Signet, Tiphook Puts & Calls: Arcon Intl, [redacted] Tyson

GUIDE TO NEW UK SHARE CLASSIFICATION

A

AAF Inds 7 1/2p	Engineering, Vehicles
AAH*	Health Care
ABI Leisure 10p	Distributors
ABN Amro Fl5	Banks
ACT Group 10p*	Support Services
ADT 10c	Support Services
AFMIN Hldgs	Extractive Industries
AGA SK25	Chemicals
AG Holdings	Printing, Paper & Packaging
AIM 10p	Engineering
AMEC 50p*	Building & Construction
AMEC 6.5p Cum. Cnv. Prf	Building & Construction
ANZ $A1	Banks
API Group*	Printing, Paper & Packaging
APV 10p*	Engineering
ASEA B SK50	Electronic & Electrical Equipment
ASW Hldgs.*	Engineering
Abacus	Electronic & Electrical Equipment
Abbey	Building & Construction
Abbey National 10p*	Banks
Abbey Panels	Engineering, Vehicles
Abbeycrest 10p	Textiles & Apparel
Abbott Laboratories	Americans
Abbott Mead Vickers 5p*	Media
Aberdeen Steak Houses 5p	Leisure & Hotels
Aberdeen Trust 10p*	Other Financial
Aberforth Smaller Companies*	Investment Trusts
Aberforth Smaller Companies Warrants	Investment Trusts
Aberforth Split Level Cap	Investment Trusts
Aberforth Split Level Inc	Investment Trusts
Aberforth Split Level Units	Investment Trusts
Abtrust Emerg Economies	Investment Trusts
Abtrust Emerg Economies Wts	Investment Trusts
Abtrust European Index Inv	Investment Trusts
Abtrust European Index Wts	Investment Trusts
Abtrust New Dawn Inv. Tst*	Investment Trusts
Abtrust New Dawn Series B Warrants	Investment Trusts
Abtrust New Dawn Wrrts	Investment Trusts
Abtrust New Thai	Investment Trusts
Abtrust New Thai Warrants	Investment Trusts
Abtrust Prefered Inc Tst	Investment Trusts
Abtrust Prefered Zero Div Pf	Investment Trusts
Abtrust Scotland Inv 10p	Investment Trusts
Acal 5p	Distributors
Acatos & Hutcheson50p*	Food Manufacturers
Acorn Computer 10p	Electronic & Electrical Equipment
Adam & Harvey	Distributors
Admiral 5p*	Support Services
Adscene	Media
Adwest Group*	Diversified Industrials
Aegis Group 5p*	Media
Aegon Fl2.5	Life Assurance
Aerospace Engineering	Engineering
Alex Corp US $1.50	Other Financial
African Lakes	Distributors
Air London	Transport
Airflow Streamlines	Engineering, Vehicles
Airsprung Furniture Group 10p*	Household Goods
Airtours 10p*	Leisure & Hotels
Airtours 6 3/8p Cv Pf	Leisure & Hotels
Aitken Hume	Other Financial
Akzo Fl20	Chemicals
Alba 10p*	Electronic & Electrical Equipment
Albany Inv. 20p	Investment Trusts
Albert Fisher 5p*	Food Manufacturers
Albion 20p	Textiles & Apparel
Albrighton	Building Materials & Merchants
Alexander & Alexander	Insurance
Alex. & Alex. Servs. 11pc Cv Dbs. 2007	Insurance
Alexanders 10p	Distributors
Alexandra Workwear 10p*	Textiles & Apparel
Alexon 10p*	Retailers, General
Allders	Retailers, General
Allen 5p	Building & Construction
Alliance Resources 1p	Oil Exploration & Production
Alliance Trust*	Investment Trusts
Allianz DM50	Insurance
Allied Colloids 10p*	Chemicals
Allied Irish	Banks
Allied Leisure 5p*	Leisure & Hotels
Allied London 10p*	Property
Allied Lon. 8 3/4pc Cnv. Red. Prf	Property
Allied-Lyons*	Spirits, Wines & Ciders
Allied Radio	Media

B

Bailey (Ben) 10p	Building & Construction
Bailey (C. H.)	Other Services & Businesses
Baillie Gifford Japan*	Investment Trusts
Baillie Gifford Shin Nippon 10p	Investment Trusts
Baillie Gifford Technology 1p	Investment Trusts
Baird (Wm.) 50p*	Textiles & Apparel
Bakyrchik Gold	Extractive Industries
Baldwin 10p	Leisure & Hotels
Ball (AH) 5p	Building & Construction
Baltic 5p	Other Financial
Baltic 7pc Cnv. Red Prf	Other Financial
Bancaire Cie. FFr100	Other Financial
Banco Bilbao Vizcaya Pta500	Banks
Banco Santander Pta750	Banks
Bank Ireland Ir£1	Banks
Bank Leumi (U.K.)	Banks
Bank of Montreal	Canadians
Bank of Nova Scotia	Canadians
Bank of Scotland*	Banks
Bank of Scotland 9 1/4pc Irred Prf	Banks
Bank of Scotland 9 3/4pc Pf	Banks
BankAmerica $1 9/16	Americans
Bankers Inv.*	Investment Trusts
Bankers Trust N.Y. $1	Americans
Banks (Sidney C.)	Food Manufacturers
Banner Homes 10p	Building & Construction
Barbour Index*	Media
Barclays £1*	Banks
Barcom 20p	Building & Construction
Bardon*	Building Materials & Merchants
Baring Chrysalis	Investment Companies
Baring Chrysalis Fund Warrants	Investment Companies
Baring Chrysalis C	Investment Companies
Baring Puma Fd	Investment Companies
Baring Secs Em Mkts	Investment Trusts
Baring Stratton Inv	Investment Trusts
Baring Tribune*	Investment Trusts
Barings 8pc Cum. 2nd Prf	Merchant Banks
Barings 9 3/4pc Non-Cum. Prf	Merchant Banks
Barlo Group Ir10p	Diversified Industrials
Barlow Rand 10c	South Africans
Barlows 10p	Property
Barr & WAT A	Leisure & Hotels
Barr (A.G.)*	Food Manufacturers
Barratt Dev. 10p*	Building & Construction
Barry Wehmiller 5p*	Engineering
Bass*	Breweries
Baxter Int'l Inc. $1	Health Care
Bayer DM50	Chemicals
Baynes (Charles) 10p*	Engineering
Baynes (C) 5.6p (Net) Pf	Engineering
Beales Hunter 20p	Electronic & Electrical Equipment
Bearing Power 12 1/2p	Distributors
Beatrix Mines	Extractive Industries
Beattie (J) A*	Retailers, General
Beauford 10p	Engineering
Beckenham Group 5p	Engineering
Beckman (A) 10p	Textiles & Apparel
Bell Atlantic $1	Americans
BellSouth Corp	Americans
Bellway*	Building & Construction
Bellwinch	Building & Construction
Bemrose*	Printing, Paper & Packaging
Benchmark 50p	Property
Bennett & Fountain 20p	Distributors
Benson Group 2 1/2p	Engineering, Vehicles
Bensons Crisps 10p	Food Manufacturers
Bentalls 10p*	Retailers, General
Bergesen d-y A NK2.5	Transport
Berisford Intl 50p*	Food Manufacturers
Berkeley Group*	Building & Construction
Berry Starquest	Investment Trusts
Berry, Birch & Noble 10p	Other Financial
Bertam 10p	Other Services & Businesses
Bespak 10p*	Health Care
Beta Global Emerg. Mkts. 10p*	Investment Trusts
Beta Global Emerg. Mkts Wrrnts	Investment Trusts
Beta Viet Nam Units	Investment Companies
Betacom 10p	Electronic & Electrical Equipment
Bethlehem Steel $8	Americans
Bett Bros. 20p	Building & Construction
Betterware*	Retailers, General
Beverley 12 1/2 p	Engineering
Bibby (J.) 50p	Diversified Industrials
Billam (J) 10p	Engineering
Bilston & Battersea 10p	Household Goods

GUIDE TO NEW UK SHARE CLASSIFICATION

Companies in FT's London share service, showing new sector in which each falls

K

Kajima Corp. Y50 ..... Building & Construction
Kakuzi K5/- ..... Food Manufacturers
Kalamazoo 10p ..... Support Services
Kalon Group 15p* ..... Chemicals
Kalis Minerals Ir5p ..... Extractive Industries
Kelsey Inds. ..... Engineering
Kelt Energy 10p ..... Oil Exploration & Production
Kembrey 5p ..... Electronic & Electrical Equipment
Kenmare ..... Extractive Industries
Kenwood Appliances* ..... Electronic & Electrical Equipment
Kerry Group A IR10p ..... Food Manufacturers
Kershaw (A.) 5p ..... Electronic & Electrical Equipment
Kewill Systems ..... Support Services
Keystone Inv. 50p* ..... Investment Trusts
Kidston Gold Mines 20cts ..... Extractive Industries
King & Shaxson 20p ..... Other Financial
Kingfisher* ..... Retailers, General
Kingspan Group Ir10p ..... Building Materials & Merchants
Kinross R1 ..... Extractive Industries
Kirin Brewery Y50 ..... Breweries
Kitty Little 5p ..... Household Goods
[redacted] Inc $0.01 ..... Printing, Paper [redacted]
Kleeneze Hldgs ..... Retailers, General
Kleinwort Benson Grp.* ..... Merchant Banks
Kleinwort Charter* ..... Investment Trusts
Kleinwort Development Fund ..... Investment Trusts
Kleinwort Emerg Markets ..... Investment Trusts
Kleinwort Emerg Mkts Wrts ..... Investment Trusts
Kleinwort Endowment Policy Tst* ..... Investment Trusts
Kleinwort High Income 5p ..... Investment Trusts
Kleinwort High Income Zero Div Prf ..... Investment Trusts
Kleinwort O'seas Tst* ..... Investment Trusts
Kleinwort Smaller Cos ..... Investment Trusts
Kloof Gold 25c ..... Extractive Industries
Kobe Steel ..... Engineering
Kode Int ..... Electronic & Electrical Equipment
Korea China Super Fd ..... Investment Trusts
Korea-Europe Fd. 10c ..... Investment Companies
Korea Liberalisation Fd. 1c ..... Investment Companies
Korea Liberalisation Warrants ..... Investment Companies
Kuala Lumpur Kepong Bhd. M$1 ..... Other Services & Businesses
Kunick 10p ..... Leisure & Hotels
Kunick 8 1/4p Prf ..... Leisure & Hotels
Kvaerner B ..... Diversified Industrials
Kwik-Fit Hldgs. 10p* ..... Distributors
Kwik Save 10p* ..... Retailers, Food
Kymmene FM20 ..... Printing, Paper & Packaging
Kynoch ..... Health Care

L

LGW 5p ..... Textiles & Apparel
LIT Hldgs 1/2p ..... Other Financial
LPA Industries 10p ..... Electronic & Electrical Equipment
LWT (Hldgs)* ..... Media
Ladbroke 10p* ..... Leisure & Hotels
Lafarge-Coppee FFr25 ..... Building Materials & Merchants
Laing (John)* ..... Building & Construction
Laing (John) A N/Vtg* ..... Building & Construction
Laing (John) 6.4pc Cv Pf ..... Building & Construction
Laird Group* ..... Engineering, Vehicles
Lambert Howarth. 20p ..... Textiles & Apparel
Lamont Hldgs. 10p* ..... Textiles & Apparel
Land Securities £1* ..... Property
Land Securities 10pc Deb 2027 ..... Property
Land Securities 10pc 2025 ..... Property
Land Securities 10pc Deb. 2030 ..... Property
Laporte* ..... Chemicals
Laser-Scan 5p ..... Support Services
Lasmo* ..... Oil Exploration & Production
Lasmo "Ops" 10p ..... Oil Exploration & Production
Lasmo 9 5/8 pc Cum Prf. £1 ..... Oil Exploration & Production
Latham (J.) £1 ..... Building Materials & Merchants
Latin American Inv. Tst ..... Investment Companies
Latin American Warrants ..... Investment Companies
Latin American Extra Yield ..... Investment Companies
Law Debenture* ..... Investment Trusts
Lawson Mardon Grp. Ltd ..... Printing, Paper & Packaging
Lazard High Inc ..... Investment Trusts
Le Creuset FF0.35 ..... Household Goods
Learmonth & Burchett* ..... Support Services
Lec Refrigeration ..... Electronic & Electrical Equipment
Leeds Group* ..... Textiles & Apparel
Legal & General* ..... Life Assurance
Leigh Interests 5p* ..... Other Services & Businesses
Leigh Interests 8pc Cv Pf ..... Other Services & Businesses
Lend Lease 50c ..... Property
Lendu Hldgs. 5p ..... Other Services & Businesses
Lep Group 2p ..... Support Services
Leslie 65c ..... Extractive Industries
Leslie Wise 20p ..... Textiles & Apparel
Lettinvest 11 1/4pc Step Int [redacted] Mtg Db 2012 ..... Property
Leveraged Opportunity Tst ..... Investment Trusts
Lex Service* ..... Distributors
Liberty* ..... Retailers, General
Liberty Non-Vtg ..... [redacted], General
Liberty Life Assoc. of Africa ..... Life Assurance
[redacted] Sciences [redacted] ..... Health [redacted]
Lilleshall 10p* ..... Building [redacted] & Merchants
[redacted] 9pc (Net) Cv [redacted] & Merchants
Lilliput ..... Household Goods
Lilly (Eli) ..... Pharmaceuticals
Lincat Group 10p ..... Engineering
Lincoln [redacted]
Lincoln National Corp ..... Life Assurance
Linread ..... Engineering
Linton Park 50p* ..... Food Manufacturers
Linx Printing Techs ..... Engineering
Lionheart 5p ..... Household Goods
Lister ..... Textiles & Apparel
Lloyds £1* ..... [redacted]
Lloyds Abbey Life 5p ..... Life Assurance
Lloyds Chemists* ..... Retailers, General
Lloyds Chemists 7.5p Cum Prf. 5p ..... Retailers, General
Lloyds Smllr Cos Capital ..... Investment Trusts
Lloyds Smllr Cos Dividend ..... Investment Trusts
Lloyds Smllr Cos Package Units ..... Investment Trusts
Lloyd Thompson 5p* ..... Insurance
Locker (T) 5p ..... Engineering
Locker [redacted] A 5p ..... Engineering
Lockheed Corpn. [redacted]
Logica 10p* ..... [redacted]
[redacted] & Assoc Inv. 10p ..... Property
London & Clydeside ..... Building & [redacted]
London & Manchester* ..... Life Assurance
London & Metropolitan 5p ..... Property
London & Overseas Freighters ..... Transport
London & Strathclyde ..... Investment Trusts
London Amer Growth Tst* ..... Investment Trusts
London Amer Growth Wrnts ..... Investment Trusts
London Atlantic ..... Investment Trusts
London Electricity* ..... Electricity
London Finance & Invs ..... Other Financial
London Forfaiting* ..... Other Financial
London Insce Mkt* ..... Insurance
London Intnl 10p* ..... Health Care
London Merchant* ..... Property
London Merchant Secs Defd.* ..... Property
London Merchant Secs. 7 3/4pc Cv. Ln. 2000-05 ..... Property
London Scottish Bank 10p* ..... Other Financial
London Securities ..... Property
Lonrho* ..... Diversified Industrials
Lookers* ..... Distributors
Lookers 8pc Cv Cm Rd Pf %1 ..... Distributors
Lopex 5p ..... Media
Loraine R1 ..... Extractive Industries
Lovell (Y.J.) ..... Building & Construction
Low & Bonar 50p* ..... Printing, Paper & Packaging
Low (Wm.) 20p* ..... Retailers, Food
Lowe (Robert H.) ..... Textiles & Apparel
Lowe's 50c ..... Americans
Lowland Inv* ..... Investment Trusts
Lowndes Lambert 5p* ..... Insurance
Lucas Inds.* ..... Engineering, Vehicles
Lucas Inds Warrants ..... Engineering, Vehicles
Lydenburg 12 1/2 c ..... Investment Companies
Lyles (S.) 20p ..... Textiles & Apparel
Lynx Holdings 5p ..... Support Services

M

M & G Dual Inc. 10p ..... Investment Trusts
M & G Dual Cap 10p ..... Investment Trusts
M & G Group* ..... Other Financial
M & G Income Geared Units ..... Investment Trusts
M & G Income Inv Tst Inc 1p ..... Investment Trusts
M & G Income Inv Tst Cap 1p ..... Investment Trusts
M & G Income Package Units ..... Investment Trusts
M & G Income Zero Div Prf. 1p ..... Investment Trusts
M & G Recovery Inc ..... Investment Trusts
M & G Recovery Cap ..... Investment Trusts
M & G Recovery Geared Units ..... Investment Trusts
M & G Recovery Package Units ..... Investment Trusts
M & G Recovery Zero Div prf ..... Investment Trusts
M & G 2nd Dual Inc ..... Investment Trusts
M & G 2nd Dual Cap ..... Investment Trusts
M & W 10p ..... Retailers, Food
MAI 5p* ..... Other Financial
MEPC* ..... Property
MFI Furniture* ..... Retailers, General
MIM Hldgs. 50c ..... Extractive Industries
MITIE Group 50p* ..... Support Services
ML Holdings 5p* ..... Engineering
ML Laboratories 1p* ..... Health Care
MMI 1p ..... Media
MMI Warrants ..... Media
MMT Computing 5p ..... Support Services
MR Data Management* ..... Support Services
MS Internl 10p ..... Engineering
MTL Instruments 10p* ..... Electronic & Electrical Equipment
MTM 5p ..... Chemicals
MY Hldgs. 10p ..... Printing, Paper & Packaging
Macallan-G[redacted]* ..... Spirits, Wines & Ciders
Macdonald [redacted] A ..... Spirits, Wines & Ciders
Macfarlane Group (Clansman)* ..... Printing, Paper & Packaging
Macro 4* ..... Support Services
Magellan 20p* ..... Textiles & Apparel
Magnolia Group 10p ..... Leisure & Hotels
Majedie Invs. 10p* ..... Investment Trusts
Malacca Fund Participating 1c ..... Investment Companies
Malaya Group 10p ..... Distributors
Malaysia Mining 10c ..... Extractive Industries
Mallett 5p ..... Retailers, General
Malvern UK Index Tst* ..... Investment Trusts
Malvy Technology ..... Americans
Menakin 10p ..... Investment Trusts
Manchester United 10p* ..... Leisure & Hotels
Mandarin Oriental Intl. Ltd ..... Leisure & Hotels
Manders* ..... Chemicals
Manganese Bronze ..... Engineering
Manpower Inc. 1c ..... Support Services
Mansfield Brewery* ..... Breweries
Manweb* ..... Electricity
Marlheath ..... Property

Marks & Spencer* ..... Retailers, General
Marley* ..... Building Materials & Merchants
Marling Inds 5p* ..... Textiles & Apparel
Marsh & McLennan $1 ..... Insurance
Marshalls* ..... Building Materials & Merchants
Marshalls 8 1/2pc Cnv Pf ..... Building Materials & Merchants
Marston Thompson* ..... Breweries
Martin Currie European 50p ..... Investment Trusts
Martin Currie European Warrants ..... Investment Trusts
[redacted] Currie Pac. 50p* ..... Investment [redacted]
Martin Currie [redacted] Warrants ..... Investment [redacted]
Martin [redacted] 20p ..... [redacted]
Masthead ..... [redacted]
[redacted] Clark* ..... [redacted]
[redacted] ..... [redacted] Manufacturers
Maunders (John) 20p* ..... Building & Construction
Maurifius Fund ..... Investment Trusts
Maybom Group* ..... Household Goods
Mayflower Crp. 5p* ..... Engineering, Vehicles
[redacted] A$0.50 ..... Transport
McAlpine (Alfred)* ..... Building & [redacted]
[redacted] & [redacted] 20p ..... Building & [redacted]
McInerney Ir 10p ..... Property
McKay Secs 20p ..... Property
[redacted] ..... Engineering
McLeod Russel* ..... Chemicals
Medeva 10p* ..... Pharmaceuticals
Mediterranean Fund ..... Investment Companies
Mediterranean Fd Warrants ..... Investment Companies
Meekatharra 25c ..... Extractive Industries
Meggitt 5p* ..... Engineering
Melville Group 1p ..... Building & Construction
Melville Street Invs ..... Investment Trusts
Melville Street Warrants ..... Investment Trusts
Menvier-Swain 5p* ..... Electronic & Electrical Equipment
Menzies (J.)* ..... Retailers, General
Merchant Retail Grp 10p ..... Retailers, Food
Merchants Trust* ..... Investment Trusts
Mercury Asset Mgmt 5p ..... Other Financial
Merivale Moore 5p ..... Property
Merlin Intl Green ..... Investment Trusts
Merlin Intl Green Units ..... Investment Trusts
Merlin Intl Green Wrnts ..... Investment Trusts
Merlin Intl Green Zero Pf ..... Investment Trusts
Merlin Intl Props ..... Property
Merrill Lynch $1 ..... Americans
Merrydown* ..... Spirits, Wines & Ciders
Mersey Docks & Harbour* ..... Transport
Metal Bulletin 10p* ..... Media
Metalrax 5p* ..... Engineering
Metro Radio Group 5p ..... Media
Metrotect Inds ..... Chemicals
Metsec 10p ..... Engineering
Mexico Fund ..... Investment Companies
Meyer Intl.* ..... Building Materials & Merchants
Mezzanine Cap & Inc Tst ..... Investment Trusts
Mezzanine Cap 50p ..... Investment Trusts
Mickelgate Group 1p ..... Property
Micro Focus 10p* ..... Support Services
Microgen Hldgs. 5p* ..... Support Services
Microvitec 5p ..... Electronic & Electrical Equipment
Mid Kent Hldgs* ..... Water
Mid Wynd Inv. Tst ..... Investment Trusts
Mid-States 10p* ..... Engineering, Vehicles
Middle Witwatersrand 1c ..... Extractive Industries
Middlesex Hldgs 0.25p ..... Distributors
Midland & Scottish Res ..... Oil Exploration & Production
Midlands Elect.* ..... Electricity
Milagro Minerals ..... Extractive Industries
Millgate 5p ..... Electronic & Electrical Equipment
Millwall ..... Leisure & Hotels
Minmet ..... Extractive Industries
Minorco $1.40 ..... Extractive Industries
Mirror Group Newspapers* ..... Media
Misys 5p* ..... Support Services
Mitsubishi Bank Y50 ..... Banks
Mitsubishi Corp Y50 ..... Diversified Industrials
Mitsubishi Electric Y50 ..... Electronic & Electrical Equipment
Mitsubishi Trust & Banking ..... Banks
Mitsui M EDR ..... Diversified Industrials
Mitsui Trust & Banking ..... Banks
Mobil Corp. $2 ..... Oil, Integrated
Molins* ..... Engineering
Molopo Australia 20c ..... Extractive Industries
Molyneux Ests ..... Property
Molynx 20p ..... Electronic & Electrical Equipment
Monarch Res. 10p ..... Extractive Industries
Monks Invest* ..... Investment Trusts
Montague Gold ..... Extractive Industries
Monument Oil* ..... Oil Exploration & Production
[redacted] Estates 10p ..... Property
Moorgate Inv. Tst.* ..... Investment Trusts
Moorgate Inv. Wrnts ..... Investment Trusts
Moorgate Smaller Co's Inc Tst* ..... Investment Trusts
Moorgate Smaller Warrants ..... Investment Trusts
Moran 10p ..... Food Manufacturers
More O'Ferrall 10p* ..... Media
Morgan (JP) $2.5 ..... Americans
Morgan Crucible* ..... Engineering
Morgan Crucible 7.5pc Cv Prf ..... Engineering
Morgan Grenfell Equity Income* ..... Investment Trusts
Morgan Grenfell Equity Warrants ..... Investment Trusts
Morland* ..... Breweries
Morris (Philip) ..... Americans
Morris Ashby ..... Engineering
Morrison (Wm) Supermarkets 10p* ..... Retailers, Food
Morrison (Wm) 6 1/4 pc. Rd. Prf ..... Retailers, Food
Mosaic Investments 10p ..... Printing, Paper & Packaging
Moss Bros Grp 5p* ..... Retailers, General
Motor World* ..... Engineering, Vehicles
Motorola $3 ..... Electronic & Electrical Equipment
Mount Burgess ..... Extractive Industries
Mount Martin Gold ..... Extractive Industries
Mountview Ests. 5p ..... Property
Mowlem (J)* ..... Building & Construction
Muckdow (A & J)* ..... Property
Multitrust ..... Investment Trusts
Murray Enterprise ..... Investment Trusts
Murray Enterprise Zero Cv 1994 ..... Investment Trusts
Murray European LT. 10p ..... Investment Trusts
Murray European Wrnts ..... Investment Trusts
Murray Income Tst* ..... Investment Trusts
Murray Inc Tst. B ..... Investment Trusts
Murray Intl.* ..... Investment Trusts
Murray Intl B ..... Investment Trusts
Murray Smllr Markets* ..... Investment Trusts
Murray Smllr Mkts B ..... Investment Trusts
Murray Split Capital Inc ..... Investment Trusts
Murray Split Capital Cap ..... Investment Trusts
Murray Split Capital Units ..... Investment Trusts
Murray Split Capital Zero Div Prf ..... Investment Trusts
Murray Ventures* ..... Investment Trusts

N

NB Smaller Co's. Tst.* ..... Investment Trusts
NEC Corp Y50 ..... Electronic & Electrical Equipment
NFC Var Vtg 5p* ..... Transport
NK Properties ..... South Africans
NMC Grp 12 1/2 p* ..... Printing, Paper & Packaging
NMC 7.75pc Accum. Red. Prf ..... Printing, Paper & Packaging
NSM ..... Extractive Industries
NYNEX $1 ..... Americans
National Australia Bank $A1 ..... Banks
National Express* ..... Transport
Natl Home Loans 15p ..... Other Financial
Natl Home Ln 7 1/2pc Pf ..... Other Financial
National Power* ..... Electricity
National Westminster Bank* ..... Banks
Nevan Resources ..... Extractive Industries
Nevan Res 5pc Cv Ln Notes ..... Extractive Industries
Needler Group ..... Building Materials & Merchants
Neepsend ..... Engineering
Neotronics Technology 5p* ..... Engineering
Nesco Invs ..... Support Services
Nestle (Reg) SwFr10 ..... Food Manufacturers
Nestor-BNA 10p* ..... Health Care
New City & Commercial Inv Tst ..... Investment Trusts
New City & Comm Warrants ..... Investment Trusts
New City & Comm R.P.I. Deb 2006 ..... Investment Trusts
New London 5p ..... Oil Exploration & Production
New Throg. Cap ..... Investment Trusts
New Throgmorton Inc (1983) ..... Investment Trusts
New Wits 25c ..... Extractive Industries
New Zealand Inv. Tst ..... Investment Trusts
Newman-Tonks* ..... Building Materials & Merchants
Newmark (Louis) ..... Engineering
Newmarket Venture Cap. 5p ..... Investment Trusts
News Corp ..... Media
News Intl. Special Div ..... Media
Next 10p* ..... Retailers, General
Nichols (Vimto)* ..... Food Manufacturers
Niugini Mining ..... Extractive Industries
Nobo Group 10p ..... Other Services & Businesses
Nokia Corp Pref FIM20 ..... Electronic & Electrical Equipment
Norbain 5p ..... Distributors
Norcros* ..... Building Materials & Merchants
Norex 10p ..... Transport
Norish ..... Transport
Normandy Poseidon ..... Extractive Industries
Norsk Hydro NK20 ..... Oil, Integrated
North American Gas Inv* ..... Other Financial
North Amer Gas Warrants ..... Other Financial
North Atlantic Smllr Co's* ..... Investment Trusts
North Atlantic Smllr Co's Ln 2013 ..... Investment Trusts
North Broken Hill Peko 50c ..... Extractive Industries
North Sea Assets 5p ..... Oil Exploration & Production
North West Water* ..... Water
Northern Platinum ..... Extractive Industries
Northamber 5p ..... Distributors
Northern Elec* ..... Electricity
Northern Foods* ..... Food Manufacturers
Northern Investors ..... Investment Trusts
Northern Ireland ..... Electricity
Northern Leisure ..... Leisure & Hotels
Northumbrian Foods 5p ..... Food Manufacturers
Northumbrian Water* ..... Water
Norweb* ..... Electricity
Nova Corp of Alberta ..... Canadians
Novo Group ..... Support Services
Novo Nordisk 'B' Kr 20 ..... Pharmaceuticals
Nu-Swift ..... Support Services
Nurdin & [redacted] 10p* ..... Retailers, [redacted]

O

[redacted] 1c ..... Extractive Industries
OGC ..... Oil Exploration & Production
OIS Intl. Inspection ..... Support Services
OK Bazaars ..... Retailers, General
OMI Intl. 5p ..... Engineering
Occidental Petroleum 20c ..... Oil, Integrated
Ocean Group* ..... Transport
Ocean Wilsons 20p ..... Transport
Oceana Cons ..... Other Financial
Oceonics 2 1/2p ..... Oil Exploration & Production
Office & Elect ..... Retailers, General
Ohio Resources ..... Oil Exploration & Production

Olim Conv. Tst ..... Investment Trusts
Olim Zero Cpn Prf ..... Investment Trusts
Oliver Group ..... Retailers, General
Olives Prop 20p ..... Property
Optometrics ..... Engineering
Oriel Group ..... Insurance
Oriental Smaller Co's 1c ..... Investment Companies
Oriental Smllr Wts ..... Investment Companies
Oriflame Intl SA NPV ..... Household Goods
Orion Res ..... Extractive Industries
Oryx Gold Hldgs NPV ..... Extractive Industries
Osborne & Little 5p ..... Household Goods
Osprey Comms ..... Media
Ossory Estates ..... Property
Ottomane Bank ..... Banks
Overseas Inv. Tst* ..... Investment Trusts
Overseas Inv. Tst. Wrnts ..... Investment Trusts
Ovoca Resources ..... Extractive Industries
Owen & Robinson 20p ..... Retailers, General
Owners Abroad 3p* ..... Leisure & Hotels
Owners Abroad 9.75p Prf ..... Leisure & Hotels
Oxford Instruments 5p* ..... Engineering

P

[redacted] O Defd £1* ..... Transport
P & O 5 1/2pc. Rd Non-Cum Pfd ..... Transport
P & O 6 3/4pc Cnv. Red. Prf ..... Transport
P & P 10p* ..... Support Services
P-E [redacted] 10p ..... Support Services
PCT [redacted] 10p ..... Distributors
PEX Group ..... Textiles & Apparel
PSIT 50p* ..... Property
PWS [redacted] 10p ..... Insurance
[redacted] Systems $0.01 ..... Electronic & Electrical Equipment
[redacted] Assets Tst. 50p* ..... Investment Trusts
[redacted] Assets Wrts ..... Investment Trusts
[redacted] Dunlop ..... Diversified Industrials
[redacted] Horizon Inv. Tst. 10p ..... Investment Trusts
[redacted] Horizon Warrants ..... Investment Trusts
Page (Michael) Grp* ..... Support Services
Pall Corp. 25c ..... Americans
Palmerston Hldgs ..... Property
Pan Pacific Petroleum ..... Oil Exploration & Production
Pancontinental Mines ..... Extractive Industries
Pantheon Intl Participations ..... Investment Trusts
Paramba 10p ..... Other Financial
Paramount Group 2 1/2p ..... Breweries
Parfoes French Inv. Tst.* ..... Investment Trusts
Park Food 2p* ..... Retailers, Food
Parkdean Leisure ..... Leisure & Hotels
Parkland Group ..... Textiles & Apparel
Partridge Fine Arts 10p ..... Retailers, General
Pasminco ..... Extractive Industries
Paterson Zochonis 10p* ..... Household Goods
Paterson Zochonis A N/V* ..... Household Goods
Pearson* ..... Media
Peek 5p* ..... Electronic & Electrical Equipment
Peel Hldgs* ..... Property
Pegasus Group 5p ..... Support Services
Pelican Group 20p ..... Leisure & Hotels
Pendragon* ..... Distributors
Penna 5p ..... Support Services
Pennzoil $3 1/3 c ..... Americans
Pentland Group* ..... Textiles & Apparel
Pentos 10p* ..... Retailers, General
Perilya Mines ..... Extractive Industries
Perkins Foods* ..... Food Manufacturers
Perpetual ..... Other Financial
Perpetual Japanese Inv ..... Investment Trusts
Perpetual Japanese Warrants ..... Investment Trusts
Perry Group* ..... Distributors
Persimmon 10p* ..... Building & Construction
Personal Assets ..... Investment Trusts
Perstorp B Free SK10 ..... Chemicals
Petaling $M1 ..... Extractive Industries
Petrofina ..... Oil, Integrated
Philips Electronics F10 ..... Electronic & Electrical Equipment
Philips Finance 5 3/4pc ..... Electronic & Electrical Equipment
Phoenix Timber ..... Building [redacted] & [redacted]
Phonelink* ..... Media
Photo-Me 21/2p* ..... Other [redacted] & [redacted]
Pict Petroleum 5p* ..... Oil Exploration & Production
Pifco Hldgs. 10p ..... Electronic & Electrical Equipment
Pifco Hldgs. A 10p* ..... Electronic & Electrical Equipment
Pilkington 50p* ..... Building [redacted] & Merchants
Pilkington Warrants ..... Building Materials & Merchants
Pilot Inv Trust ..... [redacted] Trusts
Pilot Inv Warrants ..... [redacted] Trusts
Pittards ..... Textiles & Apparel
Pittencrieff 10p* ..... Oil Exploration & Production
PizzaExpress 10p* ..... Leisure & Hotels
Placer Pacific 30c ..... Extractive Industries
Plantabrook 10p* ..... Other Services & Businesses
Platignum 5p ..... Other Services & Businesses
Plysu* ..... Printing, Paper & Packaging
Pochins ..... Building & [redacted]
Polyhand (C.P.) ..... Food Manufacturers
Polar 10p ..... Distributors
Policy Portfolio ..... Other Financial
Polypipe 10p* ..... Building Materials & Merchants
Portals Group* ..... Printing, Paper & Packaging
Porter Chadburn 5p ..... Diversified Industrials
Porth Group 20p ..... Other Services & Businesses
Portman ..... Extractive Industries
Portmeirion Potteries 5p* ..... Household Goods
Portsmouth & Sunderland* ..... Media
Portugal Fd. Ptg. Red. Prf. 1c ..... Investment Companies
Porvair 2p* ..... Chemicals
PosGold ..... Extractive Industries
Powell Duffryn 50p* ..... Diversified Industrials
Power Corp. Ir10p ..... Property
PowerGen* ..... Electricity
Powerscreen Intl 10p* ..... Engineering
Precious Metals Australia ..... Extractive Industries
Premier Cons. 5p* ..... Oil Exploration & Production
Premier Health ..... Health Care
Premier Land 5p ..... Extractive Industries
Premium Trust 10p ..... Insurance
Premium Underwriting 10p ..... Insurance
Presidio Oil A ..... Oil Exploration & Production
Prestac 5p ..... Electronic & Electrical Equipment
Prestwick 5p ..... Electronic & Electrical Equipment
Prestwick 7 1/4p Prf ..... Electronic & Electrical Equipment
Primadona ..... Investment Trusts
Prime People ..... Support Services
Princedale 20p ..... Media
Prior 1p ..... Property
Priam Leisure Corp ..... Leisure & Hotels
Process Systems ..... Engineering
Property Partnership ..... Property
Property Trust ..... Property
Prospect Inds. 5p ..... Engineering
Protean* ..... Engineering
Proteus International* ..... Pharmaceuticals
Proudfoot* ..... Support Services
Provident Financial* ..... Other Financial
Prowting 20p ..... Building & Construction
Prudential 5p* ..... Life Assurance
Psion 5p ..... Electronic & Electrical Equipment

Q

QS Holdings 10p* ..... Retailers, General
Quadramatic ..... Engineering
Quadrant Group 10p ..... Leisure & Hotels
Quaker Oats $5 ..... Americans
Quality Care Homes* ..... Health Care
Quality Software Prods* ..... Support Services
Quarto Group ..... Media
Quarto 8 3/4pc Pf ..... Media
Quayle Munro ..... Other Financial
Queens Moat Houses 5p ..... Leisure & Hotels
Queens Moat Houses 7 1/2pc Cn Prf ..... Leisure & Hotels
Queens Moat Houses 7pc Cv Prf ..... Leisure & Hotels
Questex ..... Americans
Quicks Group 10p* ..... Distributors
Quiligotti 0.05p ..... Building Materials & Merchants

R

[redacted] 10p* ..... Support Services
[redacted] Hldgs ..... Engineering
RIT Capital 100p* ..... Investment Trusts
RIT Capital 2.5pc Cnv. 2000 ..... Investment Trusts
RJB* ..... Extractive Industries
RMC* ..... Building Materials & Merchants
RPC* ..... Printing, Paper & Packaging
RPS Group 5p ..... Property
RTZ 10p* ..... Extractive Industries
Racal Electronics* ..... Electronic & Electrical Equipment
Radamec ..... Electronic & Electrical Equipment
Radiant Metal ..... Engineering
Radio Clyde ..... Media
Radiotrust ..... Investment Trusts
Radius 5p ..... Support Services
Raglan Prop ..... Property
Raglan Warrants ..... Property
Raine 10p* ..... Building & Construction
Ramco Oil 10p ..... Oil Exploration & Production
Ramsden's (Harry) ..... Leisure & Hotels
Ramus ..... Building Materials & Merchants
Rand Mines R1 ..... Extractive Industries
Randex 25c ..... Extractive Industries
Randfontein Estates 20c ..... Extractive Industries
Ranger Oil ..... Oil Exploration & Production
Rank Organisation* ..... Leisure & Hotels
Rank Org. 8 1/4p (Net) Cv Prf 20p ..... Leisure & Hotels
Ransom (Wm.) 10p ..... Pharmaceuticals
Ransomes ..... Engineering
Ransomes 8.25p Prf ..... Engineering
Rathbone Bros. 5p* ..... Other Financial
Rea Bros. Group ..... Merchant Banks
Readicut 5p* ..... Textiles & Apparel
Real Time Control 5p ..... Support Services
Reckitt & Colman 10p* ..... Household Goods
Reckitt & Colman 9.5pc Cv. Cap. Bond ..... Household Goods
Record Hldgs. 5p ..... Engineering
Redaurum Red Lake ..... Extractive Industries
Redland* ..... Building Materials & Merchants
Reece 5p ..... Distributors
Reed Executive 2p* ..... Support Services
Reed International* ..... Media
Reflex Ir5p ..... Support Services
Refuge 5p* ..... Life Assurance
Regal Hotel Group 0.25p ..... Leisure & Hotels
Regalian ..... Property
Regent A ..... Printing, Paper & Packaging
Regent Inns ..... Breweries
Regina 2p ..... Retailers, Food
Reject Shop 5p ..... Retailers, General
Reliance Security Grp 5p ..... Support Services
Relyon* ..... Household Goods
Renishaw 20p* ..... Engineering
Renison 50c ..... Extractive Industries
Renold* ..... Engineering
Rentokil 2p* ..... Support Services
Repola Ltd FIM10 ..... Printing, Paper & Packaging

Rep NY Corpn $5 ..... Americans
Resolute Resources ..... Extractive Industries
Resort Hotels 50p ..... Leisure & Hotels
Reuters 10p* ..... Media
Rexmore ..... Textiles & Apparel
Rhino Group 2 1/2p ..... Retailers, General
Ricardo* ..... Support Services
Richards 10p ..... Textiles & Apparel
Richards Group 10p ..... Engineering
Richardson Westgarth 10p ..... Engineering
Richmond Oil & Gas 10p ..... Oil Exploration & Production
Rights & Issues Inc ..... Investment Trusts
Rights & Issues Cap ..... Investment Trusts
Rio Algom Ltd ..... Canadians
Riva Group 10p ..... Electronic & Electrical Equipment
River & Merc Amer Inc ..... Investment Trusts
River & Merc Amer Cap Tst. 10p ..... Investment Trusts
River & Merc Amer Wrnts ..... Investment Trusts
River & Merc Extra Inc 1p ..... Investment Trusts
River & Merc Extra Inc. Warrants ..... Investment Trusts
River & Merc Extra Zero Div Pf ..... Investment Trusts
River & Merc Grd Inc 50p ..... Investment Trusts
River & Merc Grd Prf 5p ..... Investment Trusts
River & Merc Trust Income 12 1/2p ..... Investment Trusts
River & Merc Warrants 12 1/2p ..... Investment Trusts
River & Merc Cap 12 1/2p ..... Investment Trusts
River & Merc Tst Stppd Prf ..... Investment Trusts
River & Merc Smaller Co* ..... Investment Trusts
River & Merc Smaller Warrants ..... Investment Trusts
River Plate Inc ..... Investment Trusts
River Plate Cap ..... Investment Trusts
River Plate Warrants ..... Investment Trusts
River Plate Zero Div Prf ..... Investment Trusts
Robeco NV ..... Investment Companies
Robeco Sub. Shares FL1 ..... Investment Companies
Rockwell Intl. $1 ..... Americans
Rodime 5p ..... Other Services & Businesses
Rolfe & Nolan 10p ..... Support Services
Rolinco N.V. ..... Investment Companies
Rolinco Sub. Shares FL1 ..... Investment Companies
Rolls-Royce 20p* ..... Engineering
Ropner ..... Diversified Industrials
Ropner A ..... Diversified Industrials
Rosebys ..... Retailers, General
Rostel 10p ..... Building Materials & Merchants
Ross Group 5p* ..... Distributors
Rothmans Intl Uts ..... Tobacco
Rotork 10p* ..... Engineering
Rowe Evans Inv. 10p ..... Other Services & Businesses
Rowlinson 10p ..... Property
Roxboro ..... Electronic & Electrical Equipment
Roxspur 5p ..... Building Materials & Merchants
Royal Bank Canada ..... Canadians
Royal Bank of Scotland* ..... Banks
Royal Doulton £1 ..... Household Goods
Royal Dutch F5 ..... Oil, Integrated
Royal Insurance* ..... Insurance
Ruberoid ..... Building Materials & Merchants
Rubicon 10p ..... Engineering
Rugby Group* ..... Building Materials & Merchants
Russell (A.) 10p ..... Building Materials & Merchants
Rustenburg Platinum Hldgs. 10c ..... Extractive Industries
Rutland Trust 1p* ..... Other Financial
Ryan Hotels Ir 5p ..... Leisure & Hotels

S

S & U 12 1/2 p* ..... Other Financial
S & U 31 1/2pc Cm. Prf. 12 1/2p ..... Other Financial
SA Brews 20c ..... South Africans
SASOL ..... South Africans
SCA B Free SK10 ..... Printing, Paper & Packaging
SEET 20p ..... Textiles & Apparel
SEP Indl. Hldgs. 5p ..... Distributors
SHIRESCOT ..... Investment Trusts
SKF SK12.5 ..... Engineering
SPLIT Inc. 10p ..... Investment Trusts
SPLIT Cap 10p ..... Investment Trusts
SWP Group 5p ..... Building Materials & Merchants
Saatchi & Saatchi 10p* ..... Media
Safeland 5p ..... Property
Sage Group 5p* ..... Support Services
Sainsbury (J.)* ..... Retailers, Food
St Andrew Tst.* ..... Investment Trusts
St Barbara 20c ..... Extractive Industries
St David's Inv. Tst. Cap ..... Investment Trusts
St David's Inv. Tst. Inc ..... Investment Trusts
St David's Zero Div Pf ..... Investment Trusts
St-Gobain (Cie) FFr100 ..... Building Materials & Merchants
St Helena Gold R1 ..... Extractive Industries
St Ives 10p* ..... Printing, Paper & Packaging
St James's Place Capital* ..... Other Financial
St Modwen Props 10p* ..... Property
Sakura Bank Y50 ..... Banks
Salvesen (Christian)* ..... Support Services
Samson Exploration ..... Extractive Industries
Sanderson Electronics 5p* ..... Support Services
Sanderson Murray Elder 10p* ..... Support Services
Santos 25c ..... Oil, Integrated
Sanwa Bank Y50 ..... Banks
Sappi ..... Printing, Paper & Packaging
Saville Gordon 10p* ..... Property
Savills 5p ..... Property
Savoy Hotels A 10p* ..... Leisure & Hotels
Scantronic 10p ..... Electronic & Electrical Equipment
Scapa Group* ..... Other Services & Businesses
Schering DM50 ..... Pharmaceuticals
Schlumberger $0.01 ..... Oil Exploration & Production
Scholes Group 10p* ..... Electronic & Electrical Equipment
Scholl 5p* ..... Health Care
Schroder Japanese Warrant Fd. 1c ..... Investment Companies
Schroder Japanese Warrants ..... Investment Companies
Schroder Korea Fund ..... Investment Companies
Schroder Korea Fd Warrants ..... Investment Companies
Schroder Split Fd Inc ..... Investment Trusts
Schroder Split Fd Cap ..... Investment Trusts
Schroder Split Zero Div Pf ..... Investment Trusts
Schroders £1* ..... Merchant Banks
Schroders £1 N/V* ..... Merchant Banks
Scoots ..... Pharmaceuticals
Scott Pickford ..... Oil Exploration & Production
Scottish & Newcastle 20p* ..... Breweries
Scottish American Inv.* ..... Investment Trusts
Scottish Asian Inv. Ptg. 1c ..... Investment Companies
Scottish Asian Wts ..... Investment Companies
Scottish Eastern Inv* ..... Investment Trusts
Scottish Heritable Tst ..... Diversified Industrials
Scottish Hydro-Electric* ..... Electricity
Scottish Inv* ..... Investment Trusts
Scottish Inv Warrants ..... Investment Trusts
Scottish Metropolitan 20p* ..... Property
Scottish Mortgage & Tst* ..... Investment Trusts
Scottish Natl Tst. Inc ..... Investment Trusts
Scottish Natl Cap ..... Investment Trusts
Scottish Natl Stepped Prf ..... Investment Trusts
Scottish Natl Wrnts ..... Investment Trusts
Scottish Natl Zero Div Prf ..... Investment Trusts
Scottish Power* ..... Electricity
Scottish TV 10p* ..... Media
Scottish Value Trust* ..... Investment Trusts
Seacon ..... Transport
Sea Containers $0.01 ..... Transport
Seafield ..... Transport
Seafield Resources ..... Oil Exploration & Production
Seagram ..... Spirits, Wines & Ciders
Sears* ..... Retailers, General
Sears, Roebuck 75c ..... Americans
Second Alliance Tst.* ..... Investment Trusts
Second Consolidated Tst* ..... Investment Trusts
Second HGSC ..... Investment Trusts
Second Market Inv. 50p* ..... Investment Trusts
Secure Trust Grp. 1p* ..... Other Financial
Securicor Group ..... Telecommunications
Securicor Group A N-V* ..... Telecommunications
Securities Tst. Scot.* ..... Investment Trusts
Security Services ..... Telecommunications
Sedgwick Group 10p* ..... Insurance
Seeboard* ..... Electricity
SelecTV 1p* ..... Media
Select Appointments ..... Support Services
Select Inds ..... Engineering, Vehicles
Selective Assets Tst. 10p* ..... Investment Trusts
Selective Assets Eq Serd ..... Investment Trusts
Selective Assets Eq Serall ..... Investment Trusts
Sema Group 10p* ..... Support Services
Senior Engineering 10p* ..... Engineering
Senoy Farming Grp ..... Food Manufacturers
Serco Group* ..... Support Services
Sent 10p ..... Printing, Paper & Packaging
Servomex 5p ..... Engineering
Seton Healthcare Grp. 10p* ..... Health Care
Severfield-Reeve ..... Building & Construction
Severn Trent* ..... Water
Shaftesbury* ..... Property
Shandwick 1p ..... Media
Shanks Group 10p ..... Textiles & Apparel
Shanks & McEwan 10p* ..... Other Services & Businesses
Sharelink Inv Servs ..... Other Financial
Sharpe & Fisher ..... Building Materials & Merchants
Shaw (Arthur) 10p ..... Building Materials & Merchants
Shadbank Prop ..... Property
Sheffield Insulations* ..... Building Materials & Merchants
Sheldon Jones ..... Food Manufacturers
Shell Transport Reg* ..... Oil, Integrated
Shell Transport 7pc Prf. £1 ..... Oil, Integrated
Shelton (Martin) ..... Other Services & Businesses
Sherriff Hldgs. 5p ..... Building & Construction
Sherwood Computer Services 10p ..... Support Services
Sherwood Group 10p* ..... Textiles & Apparel
Shield Diagnostics ..... Health Care
Shiloh ..... Textiles & Apparel
Shiraz Inv. 50p* ..... Investment Trusts
Shoprite 5p ..... Retailers, Food
Shorco Group Hldgs ..... Building & Construction
Sam Selective Growth Tst ..... Investment Trusts
Sidlaw Group* ..... Printing, Paper & Packaging
Siebe* ..... Engineering
Siemens DM50 ..... Electronic & Electrical Equipment
Signet 10p* ..... Retailers, General
Signet 6 7/8p Cv Cm Rd Prf ..... Retailers, General
Silentnight 10p* ..... Household Goods
Silvermines 2 1/2 p ..... Electronic & Electrical Equipment
Sime Darby ..... Diversified Industrials
Simon Engineering* ..... Distributors
Sims Food Group 5p* ..... Food Manufacturers
Sinomatel ..... Engineering
Sinclair (Wm.)* ..... Other Services & Businesses
Sindall (Wm) 5p ..... Building & Construction
Singapore SESDAQ Fd. 1c ..... Investment Companies
Singer & Friedlander* ..... Merchant Banks
Sipa Resources ..... Extractive Industries
Sirdar* ..... Textiles & Apparel
600 Group ..... Engineering
Skandia Insurance SK5 ..... Insurance
Sketchley* ..... Support Services
Sleepy Kids 5p ..... Media
Slough Estates* ..... Property

Slough Ests. 8 1/4p Net Prf ..... Property
Smaller Cos Inv Tst 50p* ..... Investment Trusts
Smaller Cos Warrants ..... Investment Trusts
Smart (J.) 10p ..... Building & Construction
Smith & Nephew 10p* ..... Health Care
Smith (David S.) 20p* ..... Printing, Paper & Packaging
Smith (James) Ests ..... Property
Smith (W H) A 50p* ..... Retailers, General
Smith (W H) B ..... Retailers, General
Smith New Court* ..... Other Financial
Smith New Court Cnv. Prf. 50p ..... Other Financial
SmithKline Beecham A* ..... Pharmaceuticals
SmithKline Beecham Equity Units* ..... Pharmaceuticals
Smiths Inds.* ..... Engineering
Smurfit (Jefferson) ..... Printing, Paper & Packaging
Somic ..... Printing, Paper & Packaging
Sons Gwalia NL ..... Extractive Industries
Sony Corp Y50 ..... Electronic & Electrical Equipment
Sothebys Hlds Inc Class A ..... Retailers, General
Soundtracs 5p ..... Electronic & Electrical Equipment
South America Fund ..... Investment Companies
South America Fund Warrants ..... Investment Companies
South East Asian Fd. Warrants 1c ..... Investment Companies
South Staffs Water ..... Water
South Wales* ..... Electricity
South West Water* ..... Water
South Western* ..... Electricity
Southend Property Hldg. 5p* ..... Property
Southend Property Warrants ..... Property
Southend Stad. 5 1/2pc Cnv. Prf ..... Property
Southern Business Grp 10p* ..... Electronic & Electrical Equipment
Southern Electric* ..... Electricity
Southern Pacific ..... Oil Exploration & Production
Southern Radio ..... Media
Southern Water* ..... Water
Southnews 5p ..... Media
Southvaal 50c ..... Extractive Industries
Southwestern Bell $1 ..... Americans
Spandex ..... Building & Construction
Spanish Smaller Co's ..... Investment Companies
Spanish Smllr Warrants ..... Investment Companies
Spear (J.W.) ..... Leisure & Hotels
Specialeyes 2p ..... Health Care
Sphere Inv. Tst. Inc ..... Investment Trusts
Sphere Inv Units ..... Investment Trusts
Sphere Tst. Zero Dv Prf ..... Investment Trusts
Spirax-Sarco* ..... Engineering
Spring Ram 10p* ..... Building Materials & Merchants
Stagecoach* ..... Transport
Stakis 10p* ..... Leisure & Hotels
Standard Chartered £1* ..... Banks
Standard Platform 10p ..... Support Services
Stanhope Props.* ..... Property
Stanley Leisure* ..... Leisure & Hotels
Starmin 5p ..... Extractive Industries
Stat-Plus 5p* ..... Support Services
Staveley Inds.* ..... Diversified Industrials
Steel Burrill Jones 10p* ..... Insurance
Sterling Inds.2 1/2 p* ..... Engineering
Sterling Publishing 5p* ..... Media
Stewart & Wight ..... Property
Stillfontein 50c ..... Extractive Industries
Stirling Group 20p* ..... Textiles & Apparel
Stoddard 10p* ..... Household Goods
Stora B Free SK25 ..... Printing, Paper & Packaging
Storehouse 10p* ..... Retailers, General
Storm Group 1p ..... Media
Stratagem Group 20p ..... Other Financial
Strong & Fisher 10p ..... Textiles & Apparel
Sturge Hldgs. 20p ..... Insurance
Stylo* ..... Retailers, General
Sumit 100p ..... Investment Trusts
Sumitomo Bank Y50 ..... Banks
Sumitomo Trust & Banking Y50 ..... Banks
Sun Alliance Grp* ..... Insurance
Sun Co. Inc. $1 ..... Americans
Sungard Data ..... Electronic & Electrical Equipment
Sunleigh 5p ..... Leisure & Hotels
Sunrise Energy Servs Inc ..... Oil Exploration & Production
Sunset & Vine 5p ..... Media
Surrey Group ..... Leisure & Hotels
Sutcliffe Speakman 1p* ..... Other Services & Businesses
Suter 5p* ..... Diversified Industrials
Suter Warrants ..... Diversified Industrials
Swallowfield 5p ..... Household Goods
Swire Pacific A 60c ..... Other Financial
Sycamore Hldgs ..... Building Materials & Merchants
Sykes-Pickavant 10p ..... Engineering
Syltone ..... Engineering, Vehicles
Symonds Engineering ..... Engineering
Syndicate Capital ..... Insurance
Syndicate Capital Warrants ..... Insurance

T

T & N* ..... Engineering, Vehicles
T & S Stores 5p* ..... Retailers, General
TDK Corp Y50 ..... Electronic & Electrical Equipment
TDS Circuits 5p ..... Electronic & Electrical Equipment
TGI 1p ..... Electronic & Electrical Equipment
TI Group* ..... Engineering
TLS Range ..... Distributors
TNT 50c ..... Transport
TR City of London Defd* ..... Investment Trusts
TR European Growth Trust* ..... Investment Trusts
TR European Growth Ptg. Subs. 1p ..... Investment Trusts
TR Far East Inc. Tst ..... Investment Trusts
TR Far East Inc Tst Warrants ..... Investment Trusts
TR High Inc. Tst.* ..... Investment Trusts
TR High Inc. Tst. Sub ..... Investment Trusts
TR Pacific Inv. Tst. 5p* ..... Investment Trusts
TR Prop. Inv. Tst.* ..... Investment Trusts
TR Smaller Co's* ..... Investment Trusts
TR Technology ..... Investment Trusts
TR Technology Stepp'd Prf ..... Investment Trusts
TR Technology Units ..... Investment Trusts
TR Technology Zero Prf ..... Investment Trusts
TSB* ..... Banks
TT Group* ..... Diversified Industrials
TVX Gold Income ..... Canadians
Tadpole Technology* ..... Electronic & Electrical Equipment
Takare* ..... Health Care
Tamaris 10p ..... Health Care
Tams (John) Group 10p ..... Household Goods
Tanjong ..... Leisure & Hotels
Tarmac 50p* ..... Building Materials & Merchants
Tate & Lyle* ..... Food Manufacturers
Tate & Lyle 7.25p Cv Prf ..... Food Manufacturers
Taunton Cider 10p* ..... Spirits, Wines & Ciders
Tay Homes* ..... Building & Construction
Taylor Nelson AGB 5p* ..... Media
Taylor Woodrow* ..... Building & Construction
Telegraph ..... Media
Telemetrix 5p* ..... Electronic & Electrical Equipment
Telspec ..... Electronic & Electrical Equipment
Temple Bar* ..... Investment Trusts
Templeton Emerging Markets* ..... Investment Trusts
Templeton Emerging Mkts Warrants ..... Investment Trusts
Tenneco $5 ..... Americans
Tepnel Diagnostics* ..... Health Care
Tesco 5p* ..... Retailers, Food
Tesco Capital 9pc Cv Bd 2005 ..... Retailers, Food
Tex Hldgs. 10p ..... Engineering
Texaco $6.25 ..... Americans
Thai Euro Fd. Ptg. 1c ..... Investment Companies
Thames Water* ..... Water
Thompson Clive ..... Investment Trusts
Thomson Corp ..... Media
Thorn EMI* ..... Leisure & Hotels
Thornton Asian Emerg Mkts* ..... Investment Trusts
Thornton Asian Emerg Mkts Wrnts ..... Investment Trusts
Thornton Pan European 10p ..... Investment Trusts
Thornton Pan Euro Wrnts ..... Investment Trusts
Thorntons* ..... Retailers, Food
Thorpe (F.W.) 10p ..... Electronic & Electrical Equipment
Throgmtn Dual Tst. Inc ..... Investment Trusts
Throgmtn Dual Tst. Inc. Cap. 1p ..... Investment Trusts
Throgmorton Prfd Inc ..... Investment Trusts
Throgmorton 1000 Smllr Co's* ..... Investment Trusts
Throgmorton 1000 Smllr Co's Wrnts ..... Investment Trusts
Throgmorton Tst. 5p* ..... Investment Trusts
Thyssen Dm10 ..... Engineering
Tibbett & Britten 5p* ..... Transport
Ticketing Grp ..... Leisure & Hotels
Tie Rack* ..... Retailers, General
Tiger Oats 10c ..... South Africans
Tilbury Douglas* ..... Building & Construction
Time Products 10p* ..... Distributors
Time Warner $1 ..... Americans
Tinsley (Eliza) 5p ..... Engineering
Tinsley Robor 5p ..... Printing, Paper & Packaging
Tiphook 10p* ..... Transport
Titon 10p ..... Building Materials & Merchants
Tokai Bank Y50 ..... Banks
Tomkins 61/4pc Cm. Pf ..... Diversified Industrials
Tomkinsons ..... Household Goods
Tomorrows Leisure 20p ..... Leisure & Hotels
Tongaat-Hulett R1 ..... South Africans
Topdanmark DK100 ..... Insurance
Tops Estates* ..... Property
Toray Y50 ..... Textiles & Apparel
Tor Inv. Inc ..... Investment Trusts
Tor Inv. Cap ..... Investment Trusts
Torday & Carlisle 5p ..... Distributors
Toreax Hire 10p ..... Building & Construction
Toronto-Dominion Bank ..... Canadians
Toshiba Corp Y50 ..... Electronic & Electrical Equipment
Total B FFr50 ..... Oil, Integrated
Tottenham Hotspur ..... Leisure & Hotels
Town Centre* ..... Property
Towry Law ..... Other Financial
Toye ..... Textiles & Apparel
Toyo Trust & Banking Y50 ..... Banks
Trace Computers 5p ..... Support Services
Trade Indemnity Grp* ..... Insurance
Trafalgar House 20p* ..... Diversified Industrials
Trafford Park* ..... Property
Transatlantic Hldgs ..... Life Assurance
Trans 8 6pc Cv Pf ..... Life Assurance
Trans Can Pipe ..... Canadians
Trans World Comms 10p ..... Media
Transport Developmnt* ..... Transport
TransTec 50p* ..... Engineering
Travis Perkins 10p* ..... Building Materials & Merchants
Treatt 10p ..... Food Manufacturers
Trencherwood 10p ..... Building & Construction
Trident Petroleum ..... Oil Exploration & Production
Trinity* ..... Engineering, Vehicles
Trinity Intl. Hldgs. 10p* ..... Media
Trio Hldgs* ..... Other Financial
Triplex Lloyd* ..... Engineering
Triton Europe 5p ..... Oil Exploration & Production
Trust of Prop. 5p ..... Investment Trusts
Try Group ..... Building & Construction
Tudor 20p ..... Building Materials & Merchants

Tullow Oil ..... Oil Exploration & Production
Tunstall Group 5p* ..... Electronic & Electrical Equipment
Turkey Trust ..... Investment Trusts
Turkey Trust Warrants ..... Investment Trusts
Turnpyke ..... Engineering
Tuskar Res Ir 5p ..... Oil Exploration & Production
Tyndall Australia ..... Other Financial
Tyndall Australia Options ..... Other Financial

U

UDO Hldgs. 10p* ..... Other Services & Businesses
UK Safety ..... Textiles & Apparel
UMECO ..... Engineering
US Smaller Cos* ..... Investment Trusts
US Smaller Cos Warrants ..... Investment Trusts
US West ..... Americans
USDC Inv* ..... Investment Trusts
USF & G Corp $2.50 ..... Insurance
Ugland Intl ..... Transport
Ulster TV* ..... Media
UniChem 10p* ..... Health Care
Unidare ..... Diversified Industrials
Unigate* ..... Food Manufacturers
Unigroup 15p ..... Building Materials & Merchants
Unilab ..... Americans
Unilever 5p* ..... Food Manufacturers
Unilever NV Fl4 ..... Food Manufacturers
Union Discount £1* ..... Other Financial
Union Square ..... Property
Uniset ..... Extractive Industries
Unit Group ..... Printing, Paper & Packaging
Unitech 10p* ..... Electronic & Electrical Equipment
United Biscuits* ..... Food Manufacturers
United Breweries ..... Breweries
United Drug 25p ..... Health Care
United Energy 10p ..... Oil Exploration & Production
United Friendly B 10p* ..... Life Assurance
United Industries 10p ..... Engineering
United Newspapers* ..... Media
Upton & Southern 5p ..... Retailers, General
Usborne 10p ..... Food Manufacturers
Usher (Frank) 5p ..... Textiles & Apparel

V

VHE ..... Building & Construction
VSEL Consortium £1* ..... Engineering
VTR 5p ..... Media
Vaal Reefs 50c ..... Extractive Industries
Value & Income Tst. 10p* ..... Investment Trusts
Vanguard Petroleum ..... Oil Exploration & Production
Vard AS Free NK2.3 ..... Transport
Vardon* ..... Leisure & Hotels
Vardy (Reg) 10p* ..... Distributors
Varity Corp ..... Americans
Vaux Group 10p* ..... Breweries
Vega Group ..... Support Services
Vendome Luxury Uts ..... Retailers, General
Venturi Inv Cap Indexed 10p ..... Investment Trusts
Venturi Inv Inc 10p ..... Investment Trusts
Venturi Inv Ord Geared 1p ..... Investment Trusts
Verity 5p ..... Electronic & Electrical Equipment
Verson Intl 10p ..... Engineering
Vibroplant 5p* ..... Building & Construction
Vickers 50p* ..... Engineering
Victaulic* ..... Engineering
Victoria Carpet ..... Household Goods
Victoria Petroleum ..... Oil Exploration & Production
Villiers Group 10p ..... Oil Exploration & Production
Vinten Group 20p* ..... Engineering
Virtuality Group ..... Support Services
Vistec 1p* ..... Support Services
Vivat Hldgs ..... Textiles & Apparel
Vodafone 5p* ..... Telecommunications
Vogels 2 1/2 c ..... Extractive Industries
Volex Group* ..... Electronic & Electrical Equipment
Volkswagen DM50 ..... Engineering, Vehicles
Volvo B SK25 ..... Engineering, Vehicles
Vortex Energy Systems Inc ..... Engineering
Vosper Thornycroft* ..... Engineering
Vtech 5c ..... Electronic & Electrical Equipment

W

WMX Technologies $1 ..... Americans
WPP Group 10p* ..... Media
WPP Warrants ..... Media
WSP Hldgs. 5p ..... Support Services
Wace Group 20p* ..... Printing, Paper & Packaging
Wace 8pc Cv. Pf ..... Printing, Paper & Packaging
Waddington (J.)* ..... Printing, Paper & Packaging
Wagon Industrial* ..... Engineering
Wagon Industrial 7.25p Net Cv Pf ..... Engineering
Wah Kwong ..... Transport
Wakebourne ..... Electronic & Electrical Equipment
Walhalla ..... Extractive Industries
Walker Greenbank* ..... Household Goods
Wankie Colliery Z$1 ..... Extractive Industries
Warburg (S.G.)* ..... Merchant Banks
Ward Hldgs. 10p ..... Building & Construction
Wardle Storeys 10p* ..... Chemicals
Warner Estate 5p* ..... Property
Warner Howard* ..... Support Services
Warnford Inv. 5p ..... Property
Warrants & Value ..... Investment Trusts
Wassall 5p* ..... Diversified Industrials
Waste Management Intl ..... Other Services & Businesses
Waterford Foods IR 20p ..... Food Manufacturers
Waterford Wedgwood 5p ..... Household Goods
Waterglade Intl 1p ..... Property
Waterhouse Group 10p ..... Building Materials & Merchants
Waterman Partnership 10p ..... Support Services
Wates City of Lon.* ..... Property
Watmoughs* ..... Printing, Paper & Packaging
Watson & Philip 10p* ..... Retailers, Food
Watts Blake* ..... Extractive Industries
Waverley Mining Finance 5p ..... Extractive Industries
Weir Group* ..... Engineering
Welkom Gold 50c ..... Extractive Industries
Wellcome* ..... Pharmaceuticals
Wellman 5p ..... Engineering
Welpac 20p ..... Distributors
Welsh Indl Inv. Tst. 5p ..... Investment Trusts
Welsh Water* ..... Water
Wembley 5p* ..... Leisure & Hotels
Wensum 5p ..... Textiles & Apparel
Wescol Group 10p ..... Engineering
Wessex Water* ..... Water
West Rand R1 ..... Extractive Industries
West Trust 2 1/2p ..... Food Manufacturers
Westbury 10p* ..... Building & Construction
Western Areas R1 ..... Extractive Industries
Western Deep R2 ..... Extractive Industries
Western Mining 50c ..... Diversified Industrials
Western Selection 10p ..... Other Financial
Westland 2 1/2 p* ..... Engineering
Westminster Healthcare* ..... Health Care
Westminster Scaffolding 10p ..... Building & Construction
Westpac $A1 ..... Banks
Westport Group 5p ..... Building & Construction
Westralian Res. Pro. 20c ..... Extractive Industries
Wetherspoon (J.D.)* ..... Breweries
Whatman 5p* ..... Engineering
Wheway* ..... Engineering
Whinney Mackay-Lewis 10p ..... Property
Whirlpool $1 ..... Americans
Whitbread* ..... Breweries
Whitbread Inv ..... Investment Trusts
Whitecroft ..... Electronic & Electrical Equipment
Wholesale Fittings 10p* ..... Distributors
Wickes* ..... Building Materials & Merchants
Widney 4p ..... Engineering
Wiggins Group ..... Building & Construction
Wigmore Property ..... Investment Trusts
Wigmore Property Warrants ..... Investment Trusts
Wilkes (J.) ..... Engineering
Williams Hldgs.* ..... Diversified Industrials
Williams 8p Cnv. Prf ..... Diversified Industrials
Williams 5 5/8pc Cv. Prf ..... Diversified Industrials
Williamson £1 ..... Food Manufacturers
Willis Corroon 12 1/2p* ..... Insurance
Willoughby's Cons 50p ..... Extractive Industries
Willoughby's Cons Prfd ..... Extractive Industries
Wills Group* ..... Distributors
Wilshaw 5p ..... Building Materials & Merchants
Wilson Bowden 10p* ..... Building & Construction
Wilson(Connolly)* ..... Building & Construction
Wilton Group 1p ..... Distributors
Wimpey (Geo)* ..... Building & Construction
Windsor 10p ..... Insurance
Winkelhaak R1 ..... Extractive Industries
Wintrust 20p ..... Merchant Banks
Witan Inv* ..... Investment Trusts
Wolseley* ..... Building Materials & Merchants
Wolstenholme Rink* ..... Chemicals
Wolverhampton & Dudley* ..... Breweries
Wood (Arthur) 5p ..... Household Goods
Wood (J.D.) & Co. 10p ..... Property
Woodchester IR20p ..... Other Financial
Woodside ..... Oil, Integrated
Woolworth $3 1/2 ..... Americans
World Trust Fd $2 ..... Investment Companies
World Trust Fd Warrants ..... Investment Companies
World of Leather 10p ..... Retailers, General
Worth Inv. 5p ..... Investment Trusts
Worthington Group 10p ..... Textiles & Apparel
Wyevale Garden Centres* ..... Retailers, General
Wyko Group ..... Distributors
Wyndeham Press ..... Printing, Paper & Packaging

Y

YRM 1[redacted] ..... Property
[redacted] Trust [redacted] Banking Y50 ..... Banks
[redacted] Inv. Inc [redacted] p ..... Investment Trusts
Yeoman Inv. Cap ..... Investment Trusts
Yeoman Inv. Zero Prf ..... Investment Trusts
York Waterworks ..... Water
Yorkdyde 10p ..... Textiles & Apparel
Yorkshire Electricity* ..... Electricity
Yorkshire Chemicals* ..... Chemicals
Yorkshire Food* ..... Food Manufacturers
Yorkshire Tyne-Tees TV* ..... Media
Yorkshire Tyne-Tees Warrants ..... Media
Yorkshire Water* ..... Water
Young (H.) ..... Distributors
Young Brew A 50p* ..... Breweries
Young Brew N-Vtg 50p* ..... Breweries
Yule Catto 10p* ..... Chemicals

Z

Zambia Copper Invs. $BD0.24 ..... Extractive Industries
Zandpan 10c ..... Extractive Industries
Zeneca* ..... Pharmaceuticals
Zetters Group 5p ..... Leisure & Hotels

NOTE: * Constituent of the FT-SE Actuaries All-Share Index.

LONDON SHARE SERVICE

BANKS

Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl	£25⅝	-⅛	£25¾	£18¼	7,001	4.2	13.4
ANZ A$	218	-3	228½	130	2,852	4.2	ϕ
[illegible] †□	490	-1	524	345	6,423	3.0	18.9
[illegible] ♣†a□	312	+6	312	179	[illegible]	3.3	15.9
Anglo Irish IE	63xr	+3	*63	38	[illegible]	6.7	ϕ
Asahi Y	661	+4	844	415	15,336	0.7	–
Banco Bil Viz Pta	£14½	-½	£17⅞	£13⅞	[illegible]	5.7	6.5
Banco Sant Pta	£30½	—	£38	£24⅞	3,388	4.3	11.5
[illegible] (UK)	375	—	375	325	29.6	5.7	–
Bk Ireland IE ♣a□	315	+10	*315	177	1,481	4.0	23.2
Bank Scotland ♣†□	223	+3	240½	116½	2,589	2.6	30.3
9¼pc Pf	139	+½	140¾	117¾	139.0	[illegible]	–
9¾pc Pf	[illegible]	+½	147¾	120½	148.0	[illegible]	–
Barclays ♣†N□	619	+2	[illegible]	352	10,040	[illegible]	–
Dai Ichi Kan Y	1085	+5	1585	857	33,887	0.5	60.1
Deutsche DM	£334	+2⅜	£348⅞	£250½	15,807	1.8	–
Espirito Santo	£23¾	-⅛	£24	£16½	[illegible]	3.5	5.5
First Nat Fin	64	+3	*95	45	[illegible]	1.0	–
6.3pc Cv Pf	79xd	+1	[illegible]	55	6.31	10.0	–
7pc Cv Pf	124xd	+1	[illegible]	106	58.8	7.1	–
Fuji Bank Y	[illegible]	—	1651	876	[illegible]	0.4	–
HSBC HK †□	[illegible]	+15	1007	[illegible]	[illegible]	[illegible]	22.4
HSBC (75p Shs) †□	920	+15	987	490	7,563	2.7	22.0
Lloyds †□	[illegible]	-6	690	492	8,140	3.8	18.1
Mitsubishi Y	£15⅞	+⅛	£19⅞	[illegible]	[illegible]	[illegible]	–
Mits Tst & Bk Y	£7⅛	—	£10½	£4⅝	9,278	[illegible]	11.4
Mitsui Tst & Bk Y	[illegible]	+1	852	374	[illegible]	1.0	18.3
Nat Aust A$	562	-11	575	322	[illegible]	[illegible]	ϕ
NatWest †□	615	+11	634	398	10,221	[illegible]	37.4
Ottomane FFr	£28½	—	£28½	£23½	142.5	[illegible]	8.4
Ryl Bk Scotland ♣N□	465	+14	470	[illegible]	[illegible]	[illegible]	21.0
Sakura Y	£8⅝	—	[illegible]	[illegible]	[illegible]	0.6	55.4
Sanwa Y	£12⅝	—	[illegible]	[illegible]	5,895	0.4	–
Standard Chartd †□	[illegible]	+1	1253	[illegible]	2,883	[illegible]	–
Sumitomo Y	£11¾	+⅛	£16¼	£5⅞	38,904	0.5	35.3
Sumitomo Tst Y	£5⅞	—	£9⅞	£4⅞	8,551	0.8	53.9
TSB □	254	+7	[illegible]	145½	3,855	3.1	–
[illegible]							

BREWERIES

[illegible]

BUILDING & CONSTRUCTION

[illegible]

BUILDING MATS. & MERCHANTS

[illegible]

BUILDING MATS. & MERCHANTS - Cont.

[illegible]

CHEMICALS

[illegible]

DISTRIBUTORS

[illegible]

DIVERSIFIED INDUSTRIALS

[illegible]

ELECTRICITY

[illegible]

ELECTRONIC & ELECTRICAL EQPT

[illegible]

ELECTRONIC & ELECTRICAL EQPT - Cont.

[illegible]

ENGINEERING

[illegible]

ENGINEERING VEHICLES

[illegible]

EXTRACTIVE INDUSTRIES

[illegible]

FOOD MANUFACTURERS

[illegible]

GAS DISTRIBUTION

[illegible]

HEALTH CARE

[illegible]

HOUSEHOLD GOODS

[illegible]

INSURANCE

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS - Cont.

[illegible]

هكذا منه الأصل

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1993/94 high	low	Yld Gr's	NAV	Dis or Pm(-)
RIT Capital		196	+1	199	100	0.8	212.4	12.4
2½pc Cv Ln 2000		£163½	—	£165½	£100½	1.4	–	–
Radiotrust		73	—	73	47	–	59.0	-22.8
Rights & Iss Inc	†	153	—	164	114	6.9	–	–
Cap		475	+2	475	303	2.2	534.5	11.5
Riv & Merc Am Inc		115	—	115	108	8.5	–	–
Cap		34	—	35	27	–	47.1	28.9
Warrants		14	—	14	11	–	–	–
Riv & Mer Ext		131	+2	131	87	7.4	139.7	6.0
Warrants		30	+1	30	13	–	–	–
Zero Div Pf		117½	+½	117½	103	–	–	–
Riv & Mer Geared		116	—	116	81	8.2	–	–
Prtd Cap 1999		34½	—	34½	18	–	40.9	15.6
Riv & Merc Smllr		148	—	148	95	3.4	142.4	-8.5
Warrants		51	—	53	22	–	–	–
Riv & Merc Tst Inc		125½	—	127	106	8.2	–	–
Cap		135	—	138	66	–	250.5	46.5
Warrants		32	—	33	8	–	–	–
Do. Stppd Prf		162	+½	162	147	4.3	–	–
River Plate Inc		112	—	118	98	8.8	–	–
Cap		103	—	104	26	–	196.7	47.5
Warrants		9½	—	9½	1	–	–	–
Zero Div Pf		84	—	84	77¼	–	–	–
St Andrew	†	294	+2	294	214	3.2	321.8	8.3
St David's Inc		142	—	168	123	12.5	–	–
Cap		204	+1	204	78	–	356.3	43.0
Zero Prf		169	—	169½	131	–	–	–
SPLIT Inc		199	—	270	175	21.1	–	–
Cap		1229	+7	1229	630	–	1459.7	16.8
Schroder Korea Fund		959	—	959	461	0.1	–	–
Warrants		573	—	574	189	–	–	–
Schroder Split Inc		126	—	127	102	8.7	–	–
Capital		30½	—	33	19	–	–	–
[illegible]								

LEISURE & HOTELS - Cont.

[illegible]

LIFE ASSURANCE

[illegible]

MEDIA

[illegible]

INVESTMENT COMPANIES

[illegible]

MERCHANT BANKS

[illegible]

OIL EXPLORATION & PRODUCTION

[illegible]

LEISURE & HOTELS

[illegible]

OIL, INTEGRATED

[illegible]

OTHER FINANCIAL

[illegible]

OTHER SERVICES & BUSINESSES

[illegible]

PHARMACEUTICALS

[illegible]

PRINTING, PAPER & PACKAGING

[illegible]

PROPERTY

[illegible]

PROPERTY - Cont.

[illegible]

RETAILERS, FOOD

[illegible]

RETAILERS, GENERAL

[illegible]

SPIRITS, WINES & CIDERS

[illegible]

SPIRITS, WINES & CIDERS - Cont.

[illegible]

SUPPORT SERVICES

[illegible]

TELECOMMUNICATIONS

[illegible]

TEXTILES & APPAREL

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

TRANSPORT - Cont.

[illegible]

WATER

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

SOUTH AFRICANS

[illegible]

GUIDE TO LONDON SHARE SERVICE

[illegible]

q Earnings based on preliminary figures. s Dividend yield excludes a special payment. t Indicated dividend yield, p/e ratio based on [illegible] earnings. [illegible] year's earnings. ... official estimates for 1993. K Yield based on prospectus or other official estimates for 1992-93. L Estimated annualised yield, p/e based on latest annual earnings. M Yield based on prospectus or other official estimates for ... W Pro forma [illegible]. Z Dividend [illegible].

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

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FINANCIAL TIMES
Weekend January 8/January 9 1994

Corporate bias fading against Japanese cars

By John Griffiths

French businesses, formerly the [illegible] chauvinistic in Europe when it came to buying company [illegible] can no longer be relied upon to support Renault, Peugeot and [illegible] by keeping Japanese cars out of their fleets.

Corporate barriers [illegible] the purchase of Japanese cars [illegible] tumbling throughout Europe, according [illegible] latest survey undertaken by [illegible] Partnership, [illegible] UK remuneration [illegible].

In [illegible] French [illegible] company would own up to being prepared to buy Japanese cars.

In Monks' latest survey of 650 companies throughout Europe, published yesterday, [illegible] per cent [illegible] more [illegible] 80 [illegible] surveyed [illegible] they were opening [illegible] and [illegible] parks to Japanese vehicles.

Mr David Atkins, a Monks' [illegible], said: "That [illegible] mean to say that Japanese company cars are already numerous in France. It will take time for the effect of the policy changes to show [illegible] in [illegible] purchased.

"Also, the figures [illegible] heavily influenced by multinationals starting to standardise their company car policies across Europe. Nevertheless, with [illegible] national exception, [illegible] trend [illegible] greater acceptability of Japanese cars is unmistakable."

The number of companies willing [illegible] buy Japanese [illegible] increased – in some [illegible] very sharply – in [illegible] of [illegible] surveyed. Among [illegible] biggest jumps, 80 per cent of Austrian companies [illegible] they will now allow Japanese cars in their fleets, compared with 25 per cent in 1991; 67 per cent of Swedish companies, up from 17; 64 per cent of Spanish companies up [illegible] 35 and [illegible] companies, up from 42.

Only Italy and Denmark saw [illegible] put [illegible] reverse, [illegible] of [illegible] companies prepared to buy Japanese – down from 50 per cent – and 25 per cent of Danish companies, down from [illegible] of Irish companies surveyed would put such [illegible] in their fleets, the same as in 1991.

Anecdotal [illegible] from [illegible] survey [illegible] that the growth in production of Japanese cars in Europe is breaking down [illegible] deeply-entrenched [illegible] buying Japanese.

European Company Car Survey 1993. Monks Partnership, Debden Green, Saffron [illegible], CB11 3LX, UK. £195

Viacom and Blockbuster shares hit by reports of merger

By Martin Dickson in New York

[illegible] in Blockbuster Entertainment, the video rental company, and Viacom, the cable [illegible] company, fell sharply yesterday as reports swept Wall Street that the two might shortly [illegible] a [illegible] giving [illegible]com fresh financial ammunition in its battle for control of Paramount Communications.

Viacom, which [illegible] (£6.28bn) takeover bid on the table for film and book group Paramount, had until early today to match or beat a $9.8bn bid from QVC Network, the television shopping channel [illegible] by Mr Barry Diller.

Tender offers from both companies for 51 per cent of Paramount's stock were due to close at midnight in New York, and many shareholders were likely to accept QVC's offer if [illegible] failed to make a last-minute counter-proposal.

However, on Wall Street yesterday it was thought that Viacom was on the point of signing a merger agreement with Blockbuster and making a higher offer, or [illegible] announcing it intended to merge, while appealing [illegible] Paramount shareholders for more time to increase its bid.

Blockbuster, [illegible] world's largest chain of video rental stores and has a market capitalisation of about $7bn, agreed last September to invest $600m in Viacom to back its bid for Paramount. The two companies have been discussing the terms of fresh financial backing for the past few weeks.

A merger might help the takeover battle [illegible] while Viacom is heavily indebted, Blockbuster is not, and a [illegible] business might find it easier to raise additional [illegible] for its war-chest.

Shares in Blockbuster fell $1⅛ to $28⅜ in morning trading while Viacom's A shares were down $1 at $46. Shares in QVC rose $2⅛, to [illegible] mount stock rose $1 to $79⅞.

A merger between Blockbuster, headed by Mr Wayne Huizenga, and Viacom, led by Mr Sumner Redstone, would be one of the most remarkable alliances yet in the five-month-old battle for Paramount, which has lined up numerous media and telecommunications companies [illegible] the two rival bidding camps.

THE LEX COLUMN

Stein steps down

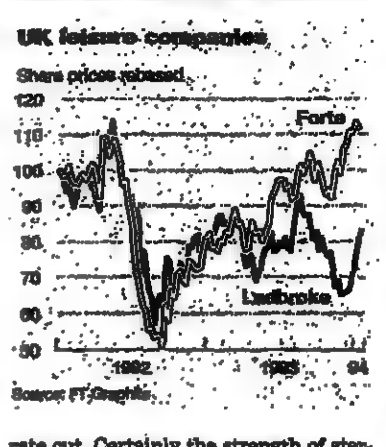
It is difficult not to feel a twinge of sympathy for Mr Cyril Stein after Ladbroke's [illegible] 7 per [illegible] on news he is not even to be a non-executive director any more. After all, Mr Stein has spent the best part of 40 years at the helm. The market's ingratitude has a certain logic just the same. It was always difficult to imagine Mr Stein taking a back seat at board meetings. His departure will strengthen Ladbroke's resolve to get out of property and, presumably, to cut the dividend to a sustainable level. Above all it signals that the new management, which promises to be more open, is very much in charge.

A flow of other announcements – the appointment of a couple of strong non-executive directors, for example, and some new faces to reinforce the management of the betting and hotels divisions – should help maintain the [illegible] price recovery. Th[illegible] still [illegible] difficult calls, however, not least over the speed with which it sells out of property when prices are rising and disposals could prove dilutive. Assuming no skeletons fall out of the cupboard when the door is opened, the task should not require further significant write-downs. Though some adjustment to hotel values may be needed, gearing should not be a particular problem.

The dividend must still be cut simply to restore cover rather than in a bid to conserve cash. Texas Homecare will remain difficult for some time. But Ladbroke's other two legs will be a strongly-branded hotel operation balanced by a cash-rich betting business [illegible] opportunities for [illegible] expansion. [illegible] necessarily a recipe for spectacular growth once cyclical recovery is out of [illegible] way, [illegible] would increase relative [illegible] Forte, which has had to sell some cash-generating [illegible] repair its balance sheet.

FT-SE Index: 3446.0 (+43.0)

UK leisure companies



Source: FT Graphite

UK markets

A stronger pound and the realisation that lower base rates were not an official priority for the new year proved only limited discouragement to the equity market. After an initial wobble, the FT-SE 100 resumed its upward course, due partly to buying from the US. Assuming Dixons' disappointing Christmas was not a general reflection of the consumer mood, the conclusion might be that the economy is strong enough to sustain equities without the prop of a further interest rate cut. Certainly the strength of sterling should not yet be a cause for concern. The currency has some way to go to recoup the 1992 devaluation. Since then, productivity gains and falling unit-labour costs have increased UK competitiveness.

Even a rise over DM2.60 need not force the authorities' hand. Perhaps with hindsight the pre-budget cut [illegible] just half a point should be seen as a sign of government determination to measure out the monetary largesse. At least the authorities are conserving room to cut rates if tax rises do upset the recovery, though it may take until summer to be sure. While that is some comfort for equities, the prospect of a prolonged period of stable and low rates should be better for sentiment than a deep but short-lived trough.

Life insurance

The steady bonus rates announced by life insurers this week look like a [illegible] for breath in an otherwise downward trend. Unlike their counterparts at pension funds, life company actuaries do not dismiss 1993's investment returns as an aberration. The savage bonus cuts of the last two years are not therefore being repeated. With long-term interest rates so low, though, such heady investment returns are unlikely to be sustained.

Payouts on 10-year policies could thus decline sharply as the strong investment returns of the mid-1980s drop out of bonus calculations. But the pace of decline may vary between life companies more than in the past. Insurers which switched [illegible] in favour of gilts – often because weak solvency demanded a less risky investment strategy – [illegible] well from the switch so far. With long gilt yields now [illegible] a 25-year low, though, a [illegible] weighting in bonds may be more of a drag on investment performance.

Companies with stronger solvency may also be more likely to maintain payouts [illegible] possible. Full disclo[illegible] commissions and expenses – proposals for [illegible] released by the Securities and Investments Board yesterday – should [illegible] competi[illegible] and may drive [illegible] towards [illegible] of long-term saving. The mis-selling [illegible] personal pensions uncovered in the final months of last year can only be bad for business, while the market for mortgage endowments remains depressed. Life insurers with financial muscles will have a strong incentive [illegible] flex them.

Hong Kong

The Hong Kong equity market rose by almost one third in December, so the 10 per cent decline in the Hang Seng index this week could simply be a good old-fashioned case of profit taking. The index fell 373 points yesterday, but closed some 300 points off the day's low. That might suggest [illegible] worst of the selling has passed. The US threat to cut import quotas for Chinese textiles certainly encouraged the slide. Given the colony's role as a corridor for Chinese exports, such punitive action on trade would be a bad omen. But other Asian equity markets have also suffered – Thailand fell by 5 per cent yesterday, Taiwan by almost as much – which hints at wider forces at work.

The worry [illegible] bull markets driven by liquidity are notoriously difficult to judge. A change in sentiment which [illegible] or Japanese investors to lose faith would have profound implications. A sharp rise in US inter[illegible] or an economic shock [illegible] China remain the most likely causes of any eventual shift. But the latest US jobless figures are consoling on interest rates while there is nothing to suggest that China's problems have [illegible].

On a multiple of perhaps 17 [illegible] this year's forecast earnings, Hong Kong does not look especially expensive judged against its Asian rivals. But the low depreciation charges of Hong Kong's property companies and banks flatter the market on that measure. Judged against cash flow or asset value, Hong Kong equities are starting to look pricey. Progress from here will be more difficult to achieve.

Bank status 'will bolster the franc'

Continued from Page 1

formal meeting of the committee, [illegible] members [illegible] drew lots to decide the length of their terms of office. Eventually, all [illegible] appointees will [illegible] nine-year term, [illegible] initially some will serve less so that two of their number can change every three years.

Yesterday Mr Michel Sapin, a former Socialist finance minister, and Mr Michel Albert, former head of [illegible] AGF insurance group, [illegible] nine-year terms; [illegible] Flouzat, an economist, and Mr Jean-Pierre Gérard, an industrialist, got six years; and Mr Jean Boissonat, a journalist, and Mr Bruno de Maide, a financier, three years.

Mr Balladur said [illegible] dent that the Bank [illegible] match the performance of [illegible]. Under [illegible] treaty, EU members are supposed to make their central banks independent during the [illegible] of European monetary union.

Mr Jean-Claude Trichet, the Bank of France governor who, with his two deputies, are ex-officio members of the committee, claimed that the French people, [illegible] considered "flighty [illegible] inconstant" in other matters, [illegible] now "firmly [illegible] to the [illegible] their money".

Ulster peace talks close to stalemate

By David Owen in Dublin

The Northern Ireland [illegible] process [illegible] heading towards stalemate last night after Sir Patrick Mayhew underlined the UK government's [illegible] to respond [illegible] Sinn Féin's demands for [illegible] Downing [illegible] Declaration.

The Northern [illegible] tary's [illegible] strongest hint yet by Mr Gerry Adams, the Sinn Féin president, [illegible] the [illegible] would not renounce [illegible] 25-year [illegible] struggle without such clarification.

Mr [illegible] told [illegible] Irish News, [illegible] nationalist [illegible]paper: "I said always what I wanted at the [illegible] of this [illegible] to end up [illegible] package, a proposition I can [illegible] to the IRA in which hopefully I can [illegible] a definitive point [illegible] will lead [illegible] change [illegible] campaign. I don't [illegible] such a package; I don't [illegible] such a proposition."

Pressure on [illegible] government to respond to Sinn Féin's demands has been mounting in recent days, with many leading politicians indicating they think the request is reasonable.

Mr John Major, prime minister, has said the demands are "an increasingly desperate attempt to avoid facing up to the clear [illegible] them".

Mr Adams last night wrote to Mr Major [illegible] the subject.

Downing [illegible] night confirmed [illegible] Mr Major had invited Mr John Hume, leader of Ulster's mainly Roman Catholic Social Democratic and Labour Party, for a meeting [illegible] parliament resumes on Monday.

In a [illegible] likely [illegible] welcomed by [illegible] Unionists, [illegible] government also signalled that Mr Michael Ancram, the newly promoted Northern [illegible] minister, is to press ahead with talks [illegible] of [illegible] province's four constitutional political parties within the next two weeks.

Meanwhile, [illegible] Mr Adams [illegible] Mr [illegible] to publish details of their agreement last year which played a large part in getting the current peace initiative under way after a Dublin newspaper reported the Sinn Féin president had agreed to the principle of majority [illegible] for [illegible] constitutional change in the province's status.

Mr Hume and Mr Adams both dismissed the reports yesterday as speculation.

● A Roman Catholic man seriously wounded late on Thursday night was the first victim of loyalist terrorists since the joint declaration [illegible] published [illegible] weeks ago.

Grass roots' test, Page 6

Stein quits Ladbroke early

Continued from Page 1

rally". Mr John [illegible] who took over as chairman on [illegible] 1, said Mr Stein [illegible] liked the [illegible] staying on [illegible] another three years to complete [illegible] years with Ladbroke. But as [illegible] approached, it became [illegible] it would be better both for himself and the group if he made a clean break.

Mr Stein, who is to receive a £200,000 payment from the company, will remain [illegible] a consultant to Ladbroke. "He [illegible] knowledge [illegible] racing [illegible] very large [illegible] contacts," [illegible] Mr Jackson.

Analysts [illegible] Mr [illegible] departure [illegible] the [illegible] property disposals and a dividend cut. During his tenure, Lad[illegible]

Role for Russia's reformers

[illegible] 1

to unite the two countries' economies under a common currency is seen by reformers as a strong indication the conservatives have won the internal argument.

Mr Chernomyrdin, commending the deal this week, pointedly linked it with the lack of agreement with Ukraine, [illegible] the economy is in steep decline and pro-union forces are agitating [illegible] economic union with Russia.

George Graham adds from Washington: Mr Lloyd Bentsen, [illegible] treasury secretary, said the US would urge Mr Yeltsin to "deepen the process of market reform", but that the west should pay more attention to the pain endured by the Russian people during the country's economic transformation.

FT WEATHER GUIDE

Europe today

It will be rainy over the British Isles, the far west [illegible] and [illegible] Spain. Rain will also affect Portugal's coastal regions. Near gale force south-westerly winds are likely around Cape Finisterre.

A depression over southern Norway will move north-east, resulting in widespread snow in Sweden and Finland. Over the southern Baltic region, snow will turn into sleet or rain.

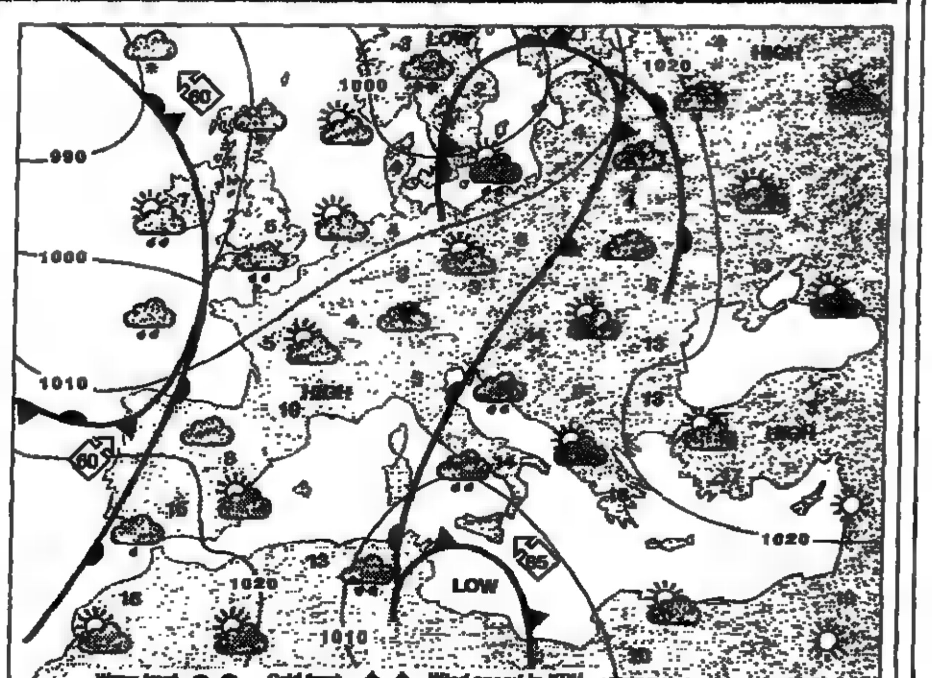
The Low Countries, Germany and the eastern regions of France and Spain will have a calm day. It will be cloudy overall, apart from a few glimpses of sunshine.

A low pressure area near Tripoli will trigger rain and showers over Slovenia, Italy and Tunisia.

Five-day forecast

Depressions will remain active over the eastern Atlantic, the British Isles and the western part of the continent. It will be rainy and windy overall but temperatures will be mild.

Wintry conditions will occur only over Scandinavia and the far north-west of Russia. Light winds, fog and mist will be general over eastern Europe.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum Celsius																
			Belfast	rain	5	Cardiff	cloudy	4	[illegible]	cloudy	[illegible]	Malta	rain	16	[illegible]	shower	29
			Belgrade	fair	14	[illegible]	snow	-10	Geneva	cloudy	[illegible]	[illegible]	cloudy	3	Riyadh	fair	22
Abu Dhabi	[illegible]	[illegible]	Berlin	[illegible]	4	[illegible]	cloudy	3	[illegible]	cloudy	17	Manila	[illegible]	[illegible]	[illegible]	rain	[illegible]
Accra	fair	31	Bermuda	fair	[illegible]	D'Salaam	shower	30	Glasgow	cloudy	[illegible]	Melbourne	shower	[illegible]	S. Frsco	[illegible]	13
Algiers	cloudy	14	Bogota	fair	[illegible]	Dakar	fair	26	Hamburg	cloudy	[illegible]	Mexico City	fair	[illegible]	Seoul	[illegible]	5
Amsterdam	fair	5	Bombay	sun	[illegible]	[illegible]	[illegible]	[illegible]	Helsinki	[illegible]	[illegible]	[illegible]	[illegible]	26	[illegible]	[illegible]	30
Athens	fair	16	Brussels	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hong Kong	cloudy	[illegible]	[illegible]	fair	[illegible]	[illegible]	[illegible]	[illegible]
B. Aires	fair	30	Budapest	rain	[illegible]	Dubai	[illegible]	[illegible]	[illegible]	[illegible]	24	[illegible]	[illegible]	[illegible]	[illegible]	cloudy	[illegible]
B.ham	cloudy	2	C.hagen	[illegible]	4	Dublin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	drzzl	1	[illegible]	fair	[illegible]
Bangkok	fair	35	Cairo	[illegible]	[illegible]	[illegible]	[illegible]	16	Jersey	cloudy	7	[illegible]	fair	[illegible]	Tangier	fair	15
Barcelona	fair	10	Cape Town	[illegible]	26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	fair	27	Tel Aviv	[illegible]	20
Beijing	fair	3	Caracas	fair	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	rain	15	[illegible]	fair	[illegible]
									L. Angeles	sun	23	[illegible]	[illegible]	26	Toronto	[illegible]	-13
									Las Palmas	fair	[illegible]	New York	[illegible]	[illegible]	Tunis	[illegible]	[illegible]
									Lima	[illegible]	[illegible]	[illegible]	[illegible]	9	Vancouver	[illegible]	[illegible]
									Lisbon	[illegible]	14	[illegible]	sun	19	[illegible]	[illegible]	[illegible]
									London	fair	4	[illegible]	snow	-1	Vienna	rain	8
									Lux.bourg	cloudy	1	[illegible]	cloudy	5	Warsaw	drzzl	7
									Lyon	[illegible]	0	Perth	fair	[illegible]	[illegible]	[illegible]	4
									Madeira	cloudy	20	Prague	fair	3	[illegible]	cloudy	21
									Madrid	rain	6	Rangoon	sun	33	Winnipeg	cloudy	-19
									Majorca	[illegible]	[illegible]	[illegible]	[illegible]	-3	Zurich	cloudy	[illegible]

Registered at the post office. Printed by St. Clements Press for and published by The Financial Times Ltd., Number One Southwark Bridge, London SE1 9HL.

Weekend FT

SECTION II Weekend January 8/January 9 1994

New sexual fantasies between the covers

Out go chaste matinee idols. In come liberated heroines, jet-setting heroes and steamy sex scenes. What is going on at Mills and Boon, asks ***Jackie Wullschlager***

"She reached up to clip her hair at the back, her body tall and slender in a dusky pink bikini, her legs long and shapely. The water wrapped round her like a warm blanket, unbelievably soft and caressing"

Who, on a dull day [illegible] the office, has not had a similar dream: [illegible] beach, the sun, the [illegible] girl, a frisson of romance?

Between soft covers, such dreams are worth £70m a year in the UK. More romantic novels are sold than any other paperback fiction. More than half come from the romantic fiction publisher Mills and Boon, which has 4m regular readers in Britain [illegible] sells one book every [illegible] seconds. Mills and Boon has been busy transforming its image as it launches a series of new, updated romances for the 1990s. The matinee idol look and the stolen, chaste kisses are out.

In come snazzy covers, racy photographs and a sophisticated logo reflecting contemporary sweet dreams: liberated heroines, jet-setting heroes, plenty of steamy sex scenes.

Heroines used to be "mills and swoon" Cinderellas who sat and waited for their prince. Today, they are independent, *professional*, sexually aware women who travel the world.

In the spring, a star Mills and Boon heroine will be Atlanta reporter T.J. Harris, who accepts a marriage proposal to live with her lover at his island resort on condition she has "satellite television hook-ups, a computer modem and a fax machine. Think that can be arranged?" Another will be Hollywood agent Molly Hill, who plays sex-games with her blindfold, naked hero and then seduces him while conducting a business negotiation on the telephone: "Yes ... I'm ... I'm a little [illegible] of breath from working out". Mitch's hand slid beneath [illegible] buttocks ..." The change in Mills and Boon's image this autumn is the first for nine years and reflects readers' tastes for sexier stories and dynamic female characters.

"Heroines have definitely got more guts about them, they are much [illegible] and assertive in their attitude to men – like women are today," says Heather Walton, Mills [illegible] marketing [illegible]. The stories, [illegible] "mirror [illegible] of contemporary women" [illegible] research is extensively used to keep them up [illegible].

[illegible] shows, [illegible] example, [illegible] enjoy [illegible] – [illegible] autumn's launch [illegible] new format "temptation romances", [illegible] snapshots of pouting cover girls within black borders, the word "temptation" [illegible] top, [illegible] scenes [illegible] reporter T.J. [illegible] seduction: "[illegible] interrupted [illegible] love-making only long enough [illegible] nightstand drawer." [illegible] realism, on the other hand, is unwelcome – readers do not, for instance, want stories involving [illegible].

This distinguishes Mills and Boon's brand of escapism from that of television soap operas – *Eastenders*, *Neighbours* – which are driven by topical social issues. "But we're [illegible] here [illegible] moralise," [illegible] Walton.

Mills and Boon is now 85 years old, and its [illegible] extraordinary cultural phenomenon: one [illegible] successful and long-lasting examples this century of *fantasy* sold [illegible] commodity. Early authors included P.G. Wodehouse and Georgette Heyer; [illegible] company became famous in the 1930s when the Depression created a huge market for escapist fiction.

Its books have thrived on a standard mix – 192 pages of passion between a handsome, rich, hero and a beautiful [illegible] girl, with glamorous background and happy ending guaranteed – ever since.

Within this fixed mould, changing sexual and social mores make the stories fascinating cultural barometers. Injured war heroes were popular in the [illegible]. [illegible] hospitals, with dashing [illegible] and blushing sisters and self-sacrificing deeds, were common settings, [illegible] *Doctor*, [illegible] Mills and [illegible] great export success in the 1950s.

By the 1980s, the Caribbean had become a key backcloth, with a diver or cruise-line owner as hero: a glitzy playground fantasy for [illegible] "me" generation.

The new-look Mills and Boon [illegible] work settings – a Hollywood studio, the office of *Brides* magazine – to [illegible] the career-girl heroines.

[illegible] Mills and [illegible] romances escapist junk, [illegible] pornography, [illegible] a brilliant commercial packaging of fantasies that [illegible] to the [illegible] of our collective psyche? They [illegible] as familiar as brand names of choco[illegible] – eight [illegible] of 10 women have heard of Mills and Boon. The books are competently written, the style sophisti[illegible] upbeat, but they lack intellectual depth, they are sentimental and pre[illegible] and [illegible] no artistic originality.

[illegible] literary hierarchy, they sit above [illegible] simple fictions of [illegible] Cartland [illegible] novels of serious authors such as Fay Weldon or Anita Brookner – writers [illegible] are also primarily female.

Why does popular romantic fiction con[illegible] exert a pull over modern, liberated women? Feminist critic Alison Hen[illegible] editor of Open Letters, the feminist book club, suggests the appeal for [illegible] readers lies in "giving yourself permission not to be bright, to read something that technically someone like you shouldn't want [illegible] read, while thinking 'Of course I'd never [illegible] to finding anything attractive here, I'm only too happy to be vice-president of my bank on my way to New York'."

Readers can also, she says, self-consciously enjoy [illegible] "female camp" – "It's such fun, my dear, it's such a wicked pleasure to suspend [illegible] in political correctness."

Romantic fiction is [illegible] politically [illegible] because it is rooted in traditional sexual stereotypes. At its heart lie classic female fantasies which never change. In identifying with a beautiful, beloved, lucky [illegible] and Boon heroine, women readers fall in love with [illegible] self-image. [illegible] heroine [illegible] reader see life through sensual-tinted spectacles: themselves in that dusky, pink bikini, waiting for their lover on a beach, writhing with desire.

Freud observed that while male day-dreams are about ambition, female dreams [illegible] erotic, women figuring themselves [illegible] objects of desire. That readers identify [illegible] a sexually-desired woman is the key to [illegible] books' appeal – this is why heroines must be up-to-the-minute social types. Today's reader, for example, could not identify with a simpering, innocent war-time heroine. But on a deeper, fantasy level, the substance of Mills and Boon has barely changed since the 1940s.

Female sexual longing, the wish to be powerless, ravished, by a passionate dominant man, [illegible] through every page of romantic fiction.

"One of his conquering hands took command of her burning face. Nothing could [illegible] be the same again," reads *A Perfect [illegible] Fool*, a Mills and Boon romance from 1923. "His display of masterful jealousy excited and pleased her. He [illegible] the lover [illegible] needed, a man who could sweep her off her feet," concludes *Passionate Choice* [illegible].

[illegible] universal fantasies; perhaps instinctive, [illegible] likely resulting from centuries of repression of female sexuality, [illegible] that only in images of coercion, which do not admit their [illegible] desires, can most [illegible] really let go. They also suggest regressive longings for unconditional love and acceptance, Oedipal wishes for a father-protector figure.

Romantic fiction allows the female imagination, with [illegible] emphasis on feelings, to triumph [illegible] it [illegible] does in life – the strong, worldly hero [illegible] last admits the supremacy of the private, emotional sphere, and is brought to his feet by love.

[illegible] slick and streetwise gloss, [illegible] new Mills and Boon novels rework [illegible] fantasies, and that [illegible] why they will sell. [illegible] remain powerful and macho. Career girl-heroines [illegible] pretty, feminine [illegible] secretly [illegible] to [illegible] dominated. Spiky ambitious reporter T.J. Harris [illegible] emerald silk nightdress and, when her lover [illegible] it, [illegible] reader is told: "Rafe would take [illegible] of everything, she decided confidently, willingly surrendering control."

The [illegible] end in marriage, sex is always perfect, [illegible] often sacrificed, and love [illegible] you [illegible] stop thinking.

In contrast, a recent novel by the feminist writer Fay Weldon concludes "no amount of fucking [illegible] stop you thinking". Weldon thinks that women should fight the desire to be dominated rather than "lapse into the belief that you don't have to work and struggle because somebody will always be there to look after you".

[illegible] best-known novel, *The Life and Loves of A She-Devil*, subverts romantic fantasy with a fat ugly heroine, Ruth, whose husband leaves her for a beautiful romantic fiction novelist. Another cult 1980s novel, Anita Brookner's *Hotel du Lac*, also features a romantic writer whose life falls short of her rosy hued imaginings.

It is writers such as Weldon or Brookner, serious novelists with a large popular following, whose fictions mirror the lives [illegible] contemporary women. Mills and Boon stories record [illegible] escapist dreams.

But if these dreams do not mirror everyday lives [illegible] late 20th century woman, they do reflect her cultural expectations. For behind them stands the ideal of romantic

Continued on Page VIII

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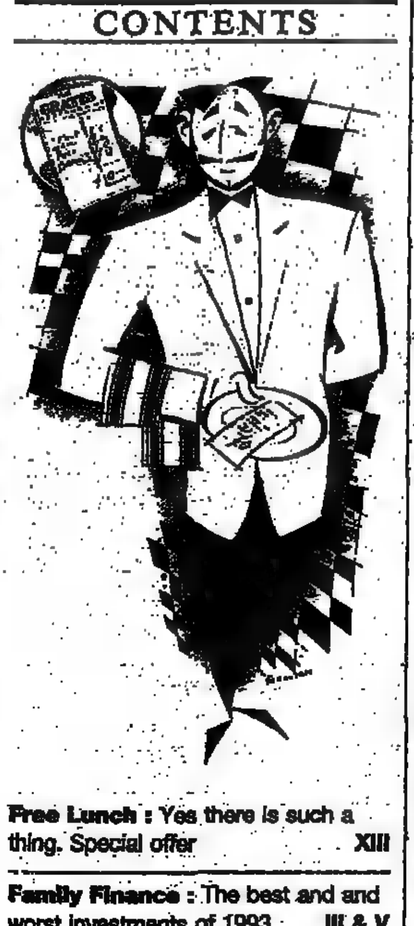


The Long View/**Barry Riley**

Fuelling the markets

The really hard part [illegible] forecasting [illegible] might happen to the global bond and [illegible] in 1994 is that [illegible] first [illegible] drove [illegible] prices up [illegible] much in [illegible].

[illegible] note that the [illegible] biggest equity markets, in the [illegible] Japan, which [illegible] two-thirds [illegible] global capitalisation, [illegible] sluggish [illegible] in local currency terms, [illegible] returns [illegible] only about 10 per cent. Generally speaking, the smaller the market and the less the liquidity, the more likely a strong rise. Bond [illegible] firm every[illegible] and [illegible] a remarkable [illegible]vergence [illegible] yields in Europe, [illegible] returns are [illegible] packed closer together than they [illegible] in the days of the European exchange [illegible] mechanism. Too much money and too little discrimination were the themes.

[illegible] intensifying competition in traded goods can legitimately explain the falling [illegible] and inflation [illegible] have encouraged bond [illegible]. It is not [illegible] clear, how[illegible], why stock markets have joined in the party so enthusiastically. Analysts [illegible] performing mental gymnastics in order [illegible] justify historically very expen[illegible] ratings. Concepts [illegible] "cyclically adjusted margins" [illegible] "mid-cycle earnings" are being touted around; but shareholders in, [illegible] Metallgesellschaft, [illegible] leading [illegible] story, may perceive this [illegible] simply an exercise in "let's pretend".

What [illegible] *know* is that the direct cause of [illegible] global bull [illegible] been the flow of capital out [illegible] the US into overseas bond and stock markets. [illegible] first nine [illegible] purchases reached $98bn, including peak rates of $21bn in bonds and $25bn in equities in [illegible] third quarter. [illegible] $7bn of the $25bn went into Latin America and Asia (excluding Japan).

The tap has been turned on by the hugely steep yield [illegible] (from [illegible] per cent) in the [illegible] which has generated massive [illegible] out [illegible] deposits. [illegible] have [illegible] into, firstly, the [illegible] and, [illegible] recently, [illegible] which [illegible] viewed as offering better value.

Conventional wisdom [illegible] that the turning point will [illegible] when [illegible] Federal Reserve decides in its wisdom that the US [illegible] threatening [illegible]cient inflation [illegible] justify raising short-term [illegible]. But [illegible] full story? [illegible] is a puzzle that [illegible] Fed [illegible] rates so [illegible] leading [illegible] a serious [illegible]traction in [illegible] supply, given the weakness of bank lending. As it is, [illegible] money [illegible] grow, albeit very slowly.

Part of the story has been that the Fed has itself been buying bonds. But does the Fed have hidden partners in supplying [illegible] liquidity that is driving the global capital market? After all, it seems unlikely [illegible] US, with its notoriously low personal savings ratio of about [illegible] per cent, can really be supplying [illegible] capital unaided on a [illegible] fuelling a world-wide bull market. The story [illegible] late 1980s, [illegible] all, was [illegible] America was [illegible] itself.

The simple arithmetic is that [illegible] annualised [illegible] flooding [illegible] bonds, and [illegible] current account deficit [illegible] plus, [illegible] a [illegible] of [illegible] the other way, which [illegible] replenishing [illegible] liquidity. The primary [illegible] Japan, which [illegible] running a current [illegible] surplus of the order of $140bn [illegible] which, [illegible] published figures, [illegible] longer substantially offsetting this through securities purchases (as it did when portfolio investment outflows [illegible] $120bn in 1989, mostly into dol[illegible] bonds). [illegible] Japanese may [illegible] repay[illegible] or purchasing money [illegible].

[illegible] strength [illegible] through much of [illegible] discouraged Japanese investors from investing overseas. Now, however, [illegible] yen [illegible] softer again, [illegible] we must [illegible] consider whether [illegible] Japanese [illegible], a fundamental part of the global picture, will persist for another year. The officially-claimed [illegible] quarter annualised 2 [illegible] growth in GDP seemed freakish at best [illegible] many economists and unbelievable at worst; but was it?

By propping [illegible] the busted financial system, [illegible] Japanese government [illegible] preventing [illegible] economic meltdown which threatened to turn the [illegible] world-wide into a re-run [illegible] 1930s, with Japan this [illegible] replacing the US as the focal point of debt deflation. Largely spared financial dislocation, Japanese industry [illegible] maintained [illegible] overall output, but [illegible] at suicidal margins, so that corporate profits have collapsed by 70 [illegible] cent [illegible] peak. [illegible] on profits means the price bubble [illegible] bonds (10-year yields [illegible] falling through 3 per cent) has not been transferable to equities.

If the Japanese economy stays depressed, [illegible] surplus liquidity will continue [illegible] out – with the difference, perhaps, that portfolio assets might increasingly [illegible] bought directly by Japanese institutions rather than indirectly by American investors. Although [illegible] low [illegible] of US short [illegible] would [illegible] unsustainable, the impact on markets outside the [illegible] might not be serious [illegible] alternative source of buying appeared. Japanese investors would not, though, have the same [illegible] – south-east Asia maybe, Latin [illegible] probably [illegible].

Recovery [illegible] Japan's [illegible], however, through rising [illegible] demand, might quickly [illegible] the balance-of-payments surplus [illegible] cut the flows of liquidity. [illegible] global [illegible] would end. Analysts [illegible] go [illegible] working out [illegible] year's probable earnings [illegible] share [illegible] deciding [illegible] investment made sense on that basis, rather than on [illegible] projections.

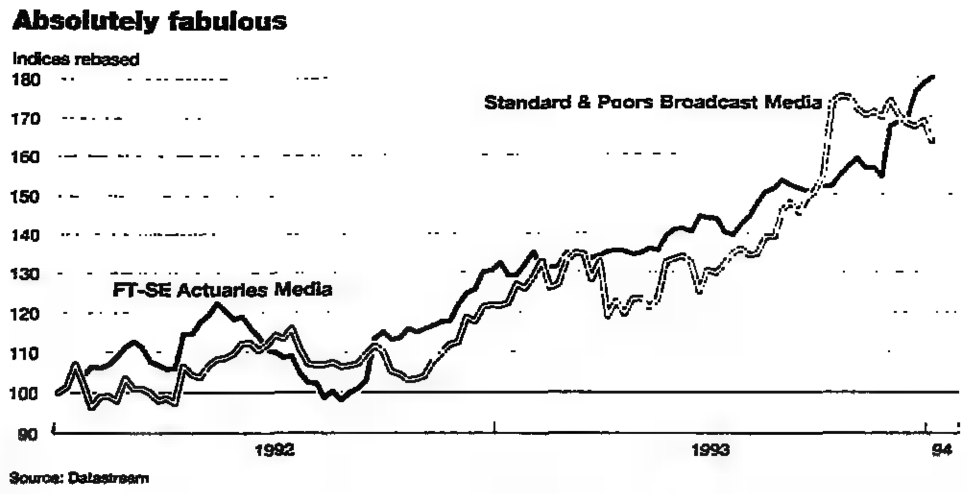
[illegible] is by no means [illegible] whole story. The [illegible] European recession will [illegible] generate [illegible] interest [illegible] and [illegible] liquidity [illegible]. But it is surely [illegible] benign relationship between the American [illegible] Japanese financial markets [illegible] holds [illegible] key. [illegible] should beware a [illegible] in the [illegible] balance.

MARKETS

London

Fewer pots of gold in media land

By Bernard Gray



Source: Datastream

Michael Eisner, chairman of Walt Disney, had a disappointing [redacted] He [redacted] out that, [redacted] the [redacted] time in [redacted] as [redacted] of [redacted] Hollywood studio, [redacted] would receive no [redacted] bonus, mostly because Euro-Disney's losses in [redacted] have hurt [redacted] US parent. In [redacted] picked up $6.7m for services [redacted] Disney's profits.

He [redacted] not [redacted] only media magnate [redacted] have [redacted] depressing [redacted] to 1994. On [redacted] other side of [redacted] pond [redacted] Christopher Bland, chairman of [redacted] smaller but perfectly formed LWT, [redacted] been trying to cobble together [redacted] of brothers to repel Granada's boarding party.

The complex negotiations involved trying to [redacted] together LWT, Yorkshire-Tyne Tees, [redacted] Anglia [redacted] tion until a further change in the [redacted] rules allowed [redacted] full [redacted] Unfortunately [redacted] pantomime horse proved rather [redacted] together [redacted] LWT is vulnerable [redacted] Granada's bid.

Sir Christopher will fight on the company's [redacted] and [redacted] argument that, as [redacted] television company, LWT's [redacted] will [redacted] more highly [redacted] than Granada's in the continuing media hype. Yet the [redacted] has already been re-rated [redacted] fund [redacted] find the profit on their LWT holdings hard to resist. The [redacted] ended the [redacted] up [redacted] to [redacted] Anglia, still widely rumoured [redacted] be in [redacted] sights of Lord Hollick's MAI, also [redacted] 44p to 472p.

Intrigue over the future of ITV companies was given another twist by [redacted] ment [redacted] government [redacted] to review [redacted] rules which [redacted] ownership between [redacted] and television companies. While [redacted] may not be know until [redacted] autumn, the [redacted] was still speculating [redacted] Mirror and Telegraph Groups, Associated [redacted] United Newspapers, [redacted] (owners [redacted] *Financial Times*), Reed, [redacted] Uncle Tom Cobbley [redacted] all [redacted] buy television companies. Small [redacted]

then [redacted] media shares have maintained their Absolutely Fabulous ratings.

Overall, the market had [redacted] turbulent time. The FT-SE 100 index fell heavily at the start of the week on worries that [redacted] rate cuts might be delayed. [redacted] badly [redacted] of 1½ points in [redacted] first [redacted] days. Yet worries over Christmas [redacted] volumes, following Dixons results [redacted] Thursday, reignited interest rate hopes. [redacted] had not managed [redacted] sell as many [redacted] as in [redacted] prompting fears that it [redacted] not been a merry Christmas. Gilts [redacted] of a point [redacted] Friday [redacted] the [redacted] 100 [redacted] up [redacted] points [redacted] the week. Dixons, however, fell 41p to 244p [redacted] dragged [redacted] sector with it.

There was also suspicion [redacted] shenanigans in the futures market, which [redacted] the 100 index, [redacted] responsible for some of the volatility in blue chip shares. By [redacted] trast second-line stocks, tracked by the FT-SE Mid [redacted] index, had a fine week rising 121.2 points.

Paul Walton, strategist [redacted] James Capel, says that between September [redacted] when sterling left the ERM, and September 1993, smaller stocks outperformed [redacted] chip shares substantially. That [redacted] mainly because [redacted] rate [redacted] and expectations of [redacted] UK recovery helped smaller cyclical manufacturing companies more [redacted] large drug companies [redacted] food retailers. [redacted] last quarter of 1993, the pattern reversed [redacted] buyers took [redacted] shine to big UK stocks. [redacted] believes [redacted] equity market will [redacted] tinue [redacted] do well in the year's [redacted] half and that smaller [redacted] panies will take [redacted] lead.

Defining [redacted] company took a [redacted] turn this week [redacted] the revised FT-SE Actuaries classifications [redacted] introduced. In general they [redacted] welcomed [redacted] a [redacted] rationalisation of [redacted] system, [redacted] structure of [redacted] market has changed substantially since the last revision [redacted] 20 years ago.

Some small investment impacts [redacted] been expected. James Capel says [redacted] the roping together of the various utilities – accounting for 14.5 per [redacted] market by value – will make fund managers' [redacted] concentration on these stocks obvious and they [redacted] thus adjust their holdings downwards. Utilities have underperformed the market over [redacted] month, but [redacted] is hard [redacted] determine whether that is [redacted] new classifications or other [redacted]

[redacted] clear, at [redacted] to [redacted] who [redacted] in [redacted] City, is the debate over who should cover which shares in the [redacted] system. Changes may well give rise to confusion when fund managers vote [redacted] which analysts [redacted] doing well in the annual opinion polls. Since such matters count towards annual bonuses, the issue has attracted more than a little interest.

Another focus of attention was Eurotunnel, which reached agreement with its banks on further fundraising. That clears the the way for the company's second rights issue since digging started. And, with the shares rallying strongly in the enthusiasm before the tunnel's opening in May, the issue, due before then, may get away [redacted] prisingly high price. Eurotunnel ended the week [redacted] 636p, up 26p.

Brightness in the crude [redacted] price also brought [redacted] little winter cheer to the oil sector. Hopes that Opec would agree [redacted] cut production at the end of January helped the sector, with BP up 12p [redacted] 372p. Exploration companies, more exposed to the oil price, fared [redacted] better with Enterprise up 21p at 469p.

It was also [redacted] happy [redacted] year for Ladbroke, which had been favoured [redacted] several newspapers tips of [redacted] year columns. On Friday, Cyril Stein, who stepped down [redacted] the company's executive chairman at the end of last year, announced that he was also relinquishing his post as [redacted] non-executive director. The shares [redacted] 14p on the day [redacted] 194p, which seems a slightly mean reward for a generation's work. But as Michael Eisner would ruefully [redacted] you are not in [redacted] leisure business for fun.

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1993/94 High	[redacted] Low	
FT-SE [redacted]	3446.0	+27.6	3462.0	[redacted]	[redacted] US [redacted]
FT-SE Mid [redacted]	3912.5	+121.2	3912.5	[redacted]	[redacted]
Airtours	513xd	+29	[redacted]	289	[redacted] bookings
Cadbury [redacted]	540	+31	541	407	New [redacted] tip
Dixons	244	-41	293	[redacted]	[redacted] profits warning
GKN	567½	+39½	567½	[redacted]	[redacted] Capel new [redacted]
Glaxo	664	[redacted]	801	[redacted]	[redacted]
Granada	579xd	+64½	579	[redacted]	LWT bid/UBS [redacted]
HSBC (75p [redacted]	920	-54	987	[redacted]	Poor Hong [redacted]
LWT	666	+60	666	[redacted]	[redacted] with Yorks-Tyne [redacted]
Ladbroke	194	+31½	222½	142	[redacted]
Pentos	35	+10	63	[redacted]	Christmas [redacted] firm
Tesco	234	+20½	273	[redacted]	[redacted]
Thorn EMI	1053xd	+72	1053	809	Leisure stocks strong
Yorks-Tyne Tees TV	179	+23	234	110	Merger talks with LWT [redacted]

Serious Money

Bruised by the cherry pickers

By Scheherazade Daneshkhu

Cherry picking may sound like [redacted] harm- [redacted] occupation but in the insurance industry it [redacted] led to some [redacted] finding home and motor insurance difficult [redacted] afford and for others, impossi- [redacted] find.

The most recent issue of *Which?*, [redacted] Consumers' Association magazine, says that as well as putting up prices often by "ridiculous" amounts and paying out on fewer claims, [redacted] insurers [redacted] refusing [redacted] quote altogether for those considered a bad risk.

This [redacted] partly the result of [redacted] growing policy of insuring good risks while turning down the rest – cherry picking. Insurance companies can choose whom they insure [redacted] in [redacted] cases, the selection criteria are being applied over-zealously, [redacted] concludes. The problem for many people [redacted] that [redacted] their insurer [redacted] to [redacted] their policy they have to declare this in applications [redacted] other companies, lessening [redacted] chance of finding [redacted] elsewhere.

Which? contacted [redacted] insurers anonymously for quotations on a three bedroomed house in London with two theft claims (for [redacted] and £1,400) in [redacted] last year. Only [redacted] of the insurers was prepared [redacted] quote and when the exercise [redacted] repeated, reducing the second [redacted] to [redacted] only six companies quoted.

Although the research [redacted] not rigorous – it [redacted] not clear, [redacted] example, what type of insur- [redacted] companies [redacted] contacted [redacted] some may [redacted] sample is [redacted] low – the report does draw attention to [redacted] increasing problem.

If people with [redacted] history [redacted] just two claims are regarded as "bad risk", [redacted] UK heading for [redacted] type of insurance discrimination which [redacted] in [redacted] parts of [redacted] US, where insurers are alleged to be engaged in "red-lining" by refusing [redacted] insure commercially unattractive risks, often in deprived urban areas?

The Association of British Insurers does [redacted] believe that many people find it impossible to find cover. Companies are willing [redacted] insure them but [redacted] a price which consumers may not [redacted] prepared to pay, it says.

However, [redacted] ABI does agree that insurers have become more selective in the past few years in the risks they are prepared [redacted] take [redacted]

Insurance companies have reacted to losses due to storm damage in 1990 and subsidence in 1990 and 1991, as well as [redacted] rising number of claims. Domestic theft claims rose steadily from under [redacted] in 1989 [redacted] £749m in 1992. Property insurance claims more than doubled in a single year from [redacted] in 1989 [redacted] £4.3m in [redacted] have fallen since.

There [redacted] another [redacted] why insurers have become more selective. Direct writers, which sell insurance through a combination of telephone sales and mass media advertising, have been a fast-expanding business.

Direct Line pioneered telephone-sale insurance [redacted] made [redacted] profits for [redacted] parent, the Royal [redacted] of [redacted] by concentrating [redacted] low-risk market. Others [redacted] been only too happy to follow. This has [redacted] good news for lower-risk [redacted] since the increased competition in [redacted] market [redacted] allowed them [redacted] obtain cheaper insurance than before.

Large composite insurers have decided, in the main, [redacted] pass [redacted] the full cost of increased premiums [redacted] "bad risk" customers rather than [redacted] subsidise [redacted] by putting up premiums for other [redacted] Given the competitive [redacted] of the market, the insurers calculated that they would [redacted] good [redacted] to [redacted] writers.

This is where [redacted] selectivity has come in. Many insurers have changed [redacted] way they rate risks, through [redacted] such [redacted] postcode rating to identify [redacted] of subsidence or higher [redacted] crime.

However, most [redacted] the large composite insurers are back in the black after reaping the benefits of premium [redacted] of an average [redacted] per cent per year in 1991 [redacted] in the [redacted] and [redacted] market. [redacted] this mean that premiums will soon [redacted] down for higher risk customers?

If too many companies are chasing too [redacted] risks, premiums [redacted] likely to [redacted] driven down, which [redacted] that there should [redacted] a point where [redacted] less risky [redacted] are [redacted] longer [redacted] profitable [redacted] income.

Moreover, insurers [redacted] to [redacted] that they will [redacted] to [redacted] less selective if they [redacted] expand their business.

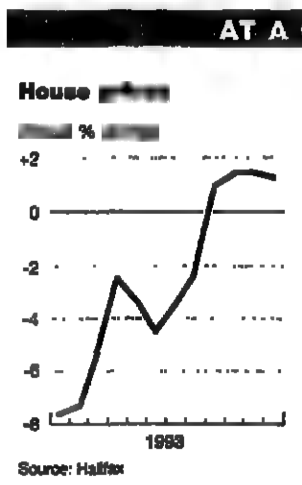
There [redacted] already signs [redacted] the market is changing. Direct Line [redacted] this year [redacted] start issuing policies for "non-standard risks" to motorists [redacted] householders who find it difficult or expensive to obtain [redacted]

A number [redacted] companies have launched cheaper and less comprehensive cover for higher-risk [redacted] insurers question [redacted] much holders [redacted] home insurance policies value some of the [redacted] – such as legal expenses [redacted] or freezer contents [redacted] – offered as [redacted] matter [redacted] course.

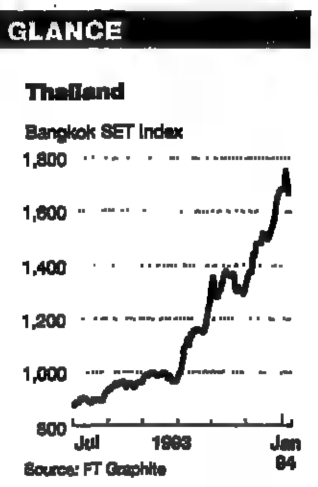
Brokers, the insurance industry's traditional middle [redacted] who [redacted] cut [redacted] by [redacted] writers, have ironically become [redacted] valuable than before. A good broker [redacted] know which insurers [redacted] contact for [redacted] higher [redacted]

In spite of the cherry picking, higher-risk [redacted] should not despair that they are becoming increasingly uninsurable but should continue [redacted] time-consuming [redacted] of searching [redacted] insurance.

AT A GLANCE



Source: Halifax



Source: FT Graphite

UK House prices up [redacted] 1.2% last year, says Halifax

House prices in the [redacted] rose on average by 1.2 per cent last year, [redacted] and [redacted] highest annual [redacted] 1989, according [redacted] Halifax, [redacted] mortgage lender. However, the annual increase was less than half that reported by [redacted] building society, the [redacted] biggest lender, [redacted] found that prices last year had risen by 3.3 per cent.
Prices fell by [redacted] per [redacted] in [redacted] compared with [redacted] according [redacted] reported a [redacted] rise. Both [redacted] expect [redacted] recovery [redacted] strengthen in [redacted] Halifax predicts house prices to rise by about 5 per cent over the [redacted] year.

Bangkok's tiger roars

The Bangkok [redacted] was one [redacted] little tigers roaring [redacted] gaining 88.4 per [redacted] over the course [redacted] year. It hit yet another new high at the start of this week, but the [redacted] days [redacted] market slip back [redacted] profit taking. The foreign money pouring [redacted] markets, particularly from US fund managers, is one reason behind Bangkok's performance, but [redacted] looking [redacted] higher returns than [redacted] from bank deposits. [redacted] economy [redacted] growing strongly, [redacted] 8 per cent, but [redacted] particularly [redacted] banking, [redacted] and property sectors, are already fully priced [redacted] of prospective earnings.

New trust focuses on Asia

Edinburgh Fund Managers [redacted] launching [redacted] new [redacted] trust [redacted] specialise in [redacted] companies [redacted] emerging [redacted] The [redacted] Tiger [redacted] will [redacted] companies with [redacted] market capitalisation [redacted] than $500m, mainly in Malaysia, Thailand, Indonesia, India, South Korea, China, [redacted] Philippines, [redacted] and Sri Lanka.
The fund aims [redacted] through [redacted] placing [redacted] for subscription [redacted] shares at 50p, with one warrant attached to every five [redacted] The minimum [redacted] is £1,000, [redacted] the annual charge will be 1.2 per [redacted]

Pep charges cut or waived

Fund managers are aiming to [redacted] new investors looking for tax shelters before the end of the tax year by cutting or waiving charges on Peps.
Clerical Medical is cutting the initial charge on its unit trust Peps from 5.25 per cent to 2.5 per cent for lump sum investments of more than £1,000 made between January 10 and April 5. There are five unit trusts to choose from. Annual charges are 1.25 per cent on two of them, and 1.5 per cent on the others.
Finsbury [redacted] Management [redacted] waiving all charges [redacted] Peps until further notice, and [redacted] Peps will [redacted] charge-free for their [redacted] investors can choose from four Finsbury [redacted]

Cheer for smaller companies

Smaller company shares have had a good start to the year. The Hoare Govett Smaller Companies [redacted] (capital [redacted] version) climbed 1.7 per cent to 1718.0 over the week [redacted] January [redacted]

Wall Street

It's party time – but will the Fed join in?

US [redacted] started 1994 in confident fashion this week, buying enough [redacted] to push the Dow [redacted] Industrial Average through [redacted] for the [redacted] time. [redacted] the [redacted] market missed out on the [redacted] celebrations: the Standard [redacted] barely moved.

[redacted] gains on the Dow, and [redacted] movement in the S&P, indicates [redacted] are responding [redacted] the [redacted] economic strength by pinpointing [redacted] companies likely [redacted] benefit most directly [redacted] the [redacted] in the pace [redacted] business activity.

This move [redacted] stocks [redacted] cycle [redacted] in the impact [redacted] buying [redacted] upon transport [redacted] The Dow [redacted] Transportation Average – which [redacted] airlines, rail, freight [redacted] transport companies, all [redacted] which prosper alongside [redacted] buoyant economy – climbed 2.3 per cent in the first four trading days [redacted] week, fin- [redacted] Thursday's [redacted] at a record [redacted] of 1,802.21.

While transport and cyclical [redacted] climbed, [redacted] languished. In particular, [redacted] and medium sized growth [redacted] stocks, and those sensitive [redacted] interest rates, are increasingly out [redacted] favour. [redacted] to perform best when an economy [redacted] struggling [redacted] pull [redacted] a recession.

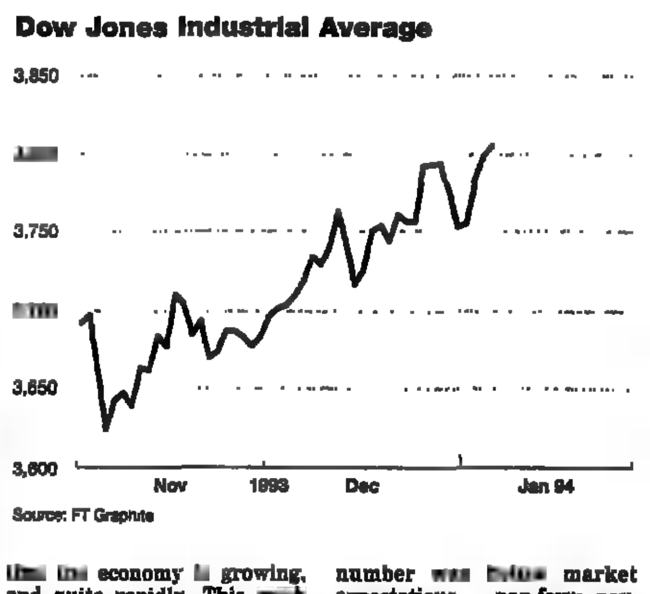
This is because, in difficult economic [redacted] investors [redacted] out companies [redacted] earnings on [redacted] fast-growth [redacted] that [redacted] independent [redacted] the business cycle. They also invest in [redacted] panies – such as utilities, banks and securities [redacted] – which [redacted] likely to gain from the decline in interest [redacted] usually accompanies a period of below-par growth.

Yet, the economy [redacted] now showing signs [redacted] vigour and, in such a climate, [redacted] earnings growth [redacted] big industrial companies begins to [redacted] with growth rates of smaller growth-oriented companies, making [redacted] former group's stock [redacted] a more [redacted] buy. Also, a stronger [redacted] brings the likelihood [redacted] higher interest rates, which [redacted] the shine off utility companies, banks [redacted] securities [redacted]

[redacted] can be [redacted] doubt [redacted] economy [redacted] growing, and quite rapidly. This [redacted] brought more good news in [redacted] form of an increase in [redacted] National Association [redacted] Purchasing Management's monthly survey [redacted] manufacturing activity, in [redacted] spending, and in factory orders.

[redacted] was also yesterday's all-important December jobs report. Although the headline number [redacted] market expectations – non-farm pay- [redacted] increased by 183,000 [redacted] month, and not by well [redacted] 200,000 as analysts had [redacted] – the report gave [redacted] the [redacted] both [redacted]

While [redacted] figures proved strong enough [redacted] sustain the [redacted] conditions in the labour [redacted] improving (albeit slowly), the [redacted] they came in below market [redacted] delighted the bond market, which [redacted] troubled all week in case [redacted] jobs report [redacted] extremely bullish [redacted] the economy. Some [redacted] lysts went so far as to say that the weaker-than-expected December employment report could [redacted] any tightening [redacted] monetary policy by the Federal [redacted] Everyone expects [redacted] Fed [redacted] push up [redacted] soon [redacted] dampen inflationary pressures in [redacted] economy, but the big question is [redacted]



Source: FT Graphite

In the [redacted] employment report often has been the trig- [redacted] a Fed easing [redacted] tightening, and [redacted] thinking on Wall [redacted] the [redacted] will wait to raise rates until [redacted] sees clear signs [redacted] dynamic growth in [redacted] labour market. Consequently, the [redacted] at [redacted] another month's grace period, possibly more, before facing a possible [redacted] hike.

How investors [redacted] when [redacted] matter. The [redacted] depends on [redacted] many who [redacted] out [redacted] short-term [redacted] and into equities over the [redacted] enough to [redacted] their money out [redacted] the stock market at [redacted] first [redacted] of [redacted]

While there are some analysts who warn that many investors will [redacted] scared [redacted] equities by rising rates, [redacted] majority believes that the flood of money into [redacted] 1990 has [redacted] result [redacted] changing demographics and attitudes, rather than [redacted] simple knee-jerk [redacted] to very low [redacted] rates. Investors, the theory goes, have been buying equities for the long term, to [redacted] their children's [redacted] tion and their [redacted] retirement.

It [redacted] a compelling argument. Yet, [redacted] will [redacted] tested [redacted] Fed [redacted] its first move on interest [redacted] yields on short-term [redacted] will [redacted] rise [redacted] from present levels before they look an [redacted] alternative [redacted]

No, the real [redacted] will [redacted] when the Fed [redacted] its second, third [redacted] fourth move on [redacted] rates, and that could [redacted] as far [redacted] as 1995.

Patrick Harverson

Monday	[redacted]	+ [redacted]
Tuesday	[redacted]	+ [redacted]
Wednesday	[redacted]	+ [redacted]
Thursday	3803.88	+ [redacted]
Friday		

The Bottom Line

Racy ratings in niche market

Capita Group, [redacted] largest provider [redacted] management services [redacted] the public sector, this [redacted] announced a streamlining of [redacted] structure.

The group's market value has [redacted] flotation in 1989. It [redacted] changes were designed [redacted] maximise [redacted] opportunities [redacted] by [redacted] trend for [redacted] authorities [redacted] government [redacted] privatise [redacted] "outsource" an increasing number of [redacted]

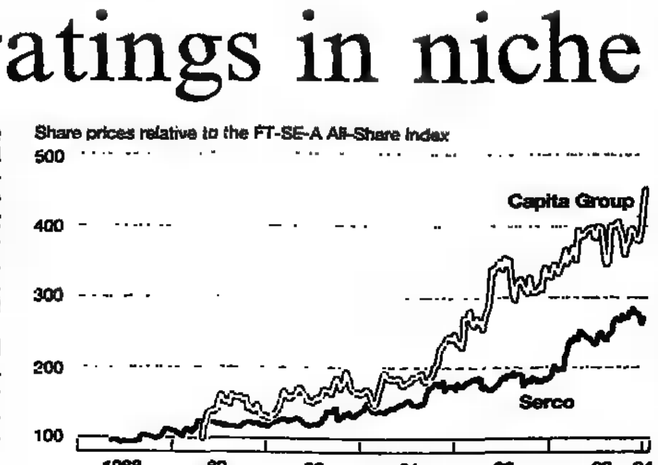
Capita - [redacted] a buy-out from [redacted] Chartered Institute [redacted] Public Finance and Accountancy – [redacted] offered consultancy and computer ser- [redacted] council [redacted] and business [redacted] for [redacted] their [redacted]

[redacted] has [redacted] merge [redacted] subsidiaries, Telecom Capita, an information technology [redacted] company; Capita Managed Services, which [redacted] ing; and Capita Management, [redacted] 50-per-cent-owned joint venture with Serco, another contract management company.

Capita Management [redacted] computerised telephone systems [redacted] deal with sales and inquiries [redacted] personalised num- [redacted] plates [redacted] behalf of the Driver and Vehicle Licensing Agency. [redacted] starting [redacted] October 1990, it has [redacted] than [redacted] number plates and raised [redacted] than [redacted] for [redacted] Treasury.

Capita [redacted] paying a [redacted] sum for its partner's [redacted] in the joint venture, but will continue [redacted] share profits with Serco, which was floated in 1988. [redacted] market value [redacted] increased more than [redacted] £148m.

[redacted] was established in [redacted] by [redacted] to service the [redacted] group's British cinemas, [redacted] was [redacted] subject of a [redacted] ment buy-out in [redacted] technical background [redacted] reflected in [redacted] group's current diverse [redacted] of activities, some 40 per cent [redacted] which is [redacted]



Source: Datastream

Since 1964, Serco [redacted] operated the RAF's Fylingdales missile early-warning station in north Yorkshire, and [redacted] group is [redacted] involved in traffic management and air [redacted] control.

Both Capita and Serco wish [redacted] avoid the fiercely competitive sectors, such as cleaning or security, [redacted] target [redacted] other private [redacted] profit margins and low barriers [redacted] entry in [redacted] sectors have [redacted] proved [redacted] BET, [redacted] group.

Capita [redacted] more [redacted] cessful in this respect, since most [redacted] employees [redacted] white-collar and [redacted] involved in revenue-generating activi- [redacted] which it [redacted] charge good rates. Serco's profit [redacted] gin [redacted] more modest, at just [redacted] 5 [redacted] cent, reflecting its involvement in [redacted] specialist activities, [redacted] as maintaining buildings [redacted] sports complexes.

This disparity [redacted] reflected in the relative performance of [redacted] although – as [redacted] – both have [redacted] sively outperformed the market [redacted] flotation.

[redacted] outper- [redacted] – particularly in [redacted] last two years – is perhaps the [redacted] for counselling caution [redacted] any prospective small [redacted] at these share price levels.

Both groups have a large [redacted] growing market, as outsourcing spreads [redacted] local authori- [redacted] NHS [redacted] heart [redacted] government. [redacted] welcomed [redacted] month's announcement that most [redacted] 144 government executive agencies will be opened up [redacted] private [redacted]

The catch [redacted] that [redacted] few quoted companies through which investment [redacted] can [redacted] in [redacted] growing [redacted] and [redacted] share price of both groups reflects the relative scarcity [redacted] the [redacted]

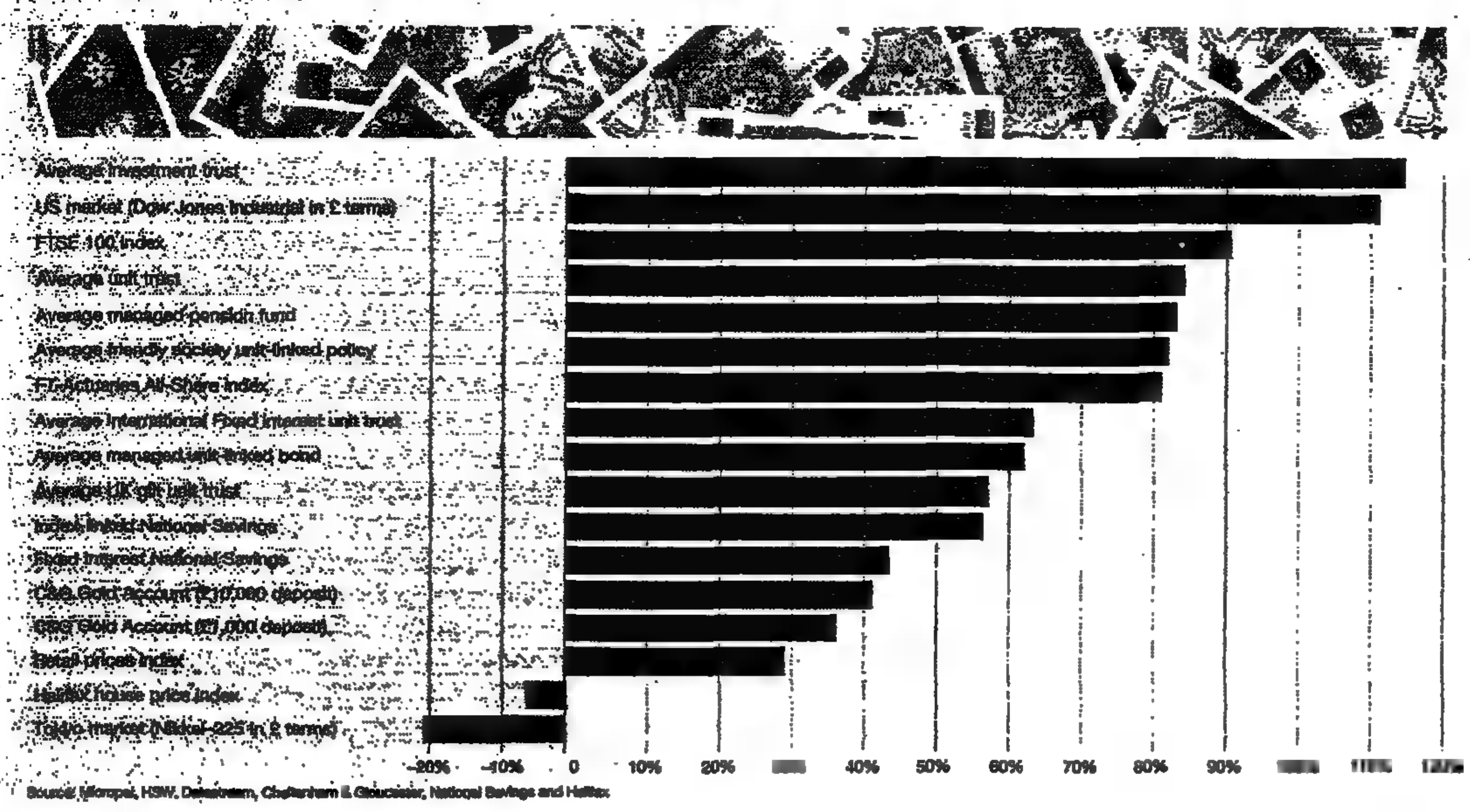
Capita's shares are selling on a multiple [redacted] times historic earnings, while [redacted] are on [redacted] than [redacted] times. Such sky-high ratings leave little margin for disappointment.

Both companies [redacted] achieved [redacted] growth targets which they have [redacted] themselves, [redacted] tender system means contracts have to [redacted] competed for again [redacted] regular intervals.

[redacted] managers will [redacted] glad [redacted] have such potentially interesting small companies in their portfolios, but it would [redacted] a brave small investor [redacted] climbed aboard the bandwagon.

Andrew Bolger

How your money performed (percentage change over 5 years)



Source: Micropal, HSW, Datastream, Cheltenham & Gloucester, National Savings and Halifax

How money was made

***Scheherazade Daneshkhu** traces a five-year record of investment highs and lows*

Investment is [illegible] gamble, and people deciding where to place their bets in 1994 may be tempted to look back five years to [illegible] if the roulette ball has fallen on their chosen numbers during that period.

The chart shows the performance [illegible] various investments in the five years [illegible] the beginning [illegible] this month, and is a yardstick against which the performance [illegible] an investor's portfolio can be measured; indeed, it could tell you where [illegible] should have invested five years ago.

The good news is that unless investors were heavily into the Japanese stock market, which recorded a sharp downturn in 1990, or relied on property, they will comfortably have [illegible] inflation to enjoy [illegible] return.

It has not been the best five-year period for the more cautious, though. [illegible] in building societies and [illegible] Savings did not fare as well as those in equity-linked funds, [illegible] returns for those averse to risks still have been reasonable.

Take an investor in the fourth [illegible] of National Savings index-linked [illegible]cates, providing [illegible] tax-free annual return of 4.04 per cent on top of the rate of inflation. They will have seen [illegible] rise of 56.56 per cent on their money with virtually no risk.

The Cheltenham & Gloucester compounded returns shown in the chart are net of basic-rate tax. They are lower than for [illegible] previous five-year period (January 1988-January 1993) because interest rates in the past year have been historically low at 5.5 to 6 per cent.

The stock market crash of 1987 was still at the back of investors' minds at the beginning of 1989, but foreign buying late in 1988 helped to push up the market.

The FT-SE 100 rose buoyantly from 1,793.1 at the end of December 1988 to 2,051.8 at the end of January 1989, and continued to rise on the back of busy corporate activity throughout the spring and summer.

The stock market indices are included as a guide – they reflect [illegible] only [illegible] do [illegible] re-invested income into [illegible]

This means that although the average investment and unit [illegible] (offer to bid, net [illegible] re-invested) has fared well, [illegible] returns are not strictly comparable [illegible] the [illegible] indices.

Investment [illegible] strong [illegible] period, helped by [illegible] substantial narrowing of [illegible] discount from an average of 21 per cent at the beginning of 1989 to 5 per cent [illegible] the start [illegible] this year.

[illegible] have narrowed because [illegible] rising [illegible] and strong demand from private [illegible] have been attracted [illegible] by personal equity plans [illegible] savings schemes.

The narrowing [illegible] be repeated on [illegible] same scale [illegible] five [illegible] and could indeed widen, since some [illegible] today stand [illegible] premium [illegible] net asset value.

[illegible] in the future will instead depend on strong [illegible] performance. The average figure quoted is a very rough guide to the sector; individual [illegible] show [illegible] discrepancies [illegible] performance [illegible] years.

An investor in the highest-performing [illegible] over five years (EFM Dragon, which invests in the Far East, excluding Japan) would have enjoyed [illegible] return of [illegible] per [illegible] while an [illegible] trust (Gresham House) [illegible] of [illegible] cent, according [illegible] Micropal.

Although investors in unit [illegible] have [illegible] well [illegible] opting for [illegible] investment trust, the returns for investment trusts are [illegible] on a mid-market to mid-[illegible] (with [illegible] income [illegible] and [illegible] not reflect [illegible] full bid-offer spread [illegible] bro-[illegible] commission.

The [illegible] trust figures (offer-to-bid with net income re-in-[illegible] all charges [illegible] account.

Despite [illegible] recent rally in gilts, investors [illegible] funds and international fixed-[illegible] than the average unit trust.

The average gain for [illegible] holding [illegible] 57.5 per [illegible] (compared [illegible] cent for [illegible] trust), while investors in [illegible] international fixed-interest unit [illegible] achieved returns of 63.6 [illegible] cent. The devaluation of sterling [illegible] contributed to [illegible] performance of this [illegible]

[illegible] UK indices show [illegible] were good gains [illegible] had over the period. [illegible] investors would have [illegible] even better in the US, where they [illegible] have more than [illegible] their money. Once again, [illegible] performance of [illegible] market is helped by [illegible] decline of sterling; [illegible] Dow Jones index [illegible] by just over 73 per cent in dollar terms, [illegible] into a rise of 111.67 per cent in sterling.

The benign [illegible] regime of investments [illegible] as friendly society [illegible] managed pension [illegible] contributed to their performance, [illegible] reflected in [illegible] figures in [illegible] chart. [illegible] investments [illegible] relatively inflexible, though; benefits from [illegible] into a pension [illegible] be drawn only on retirement age.

[illegible] you surrendered your friendly society policy early, you are likely to have [illegible] only your premiums. Tax-effi-[illegible] friendly society policy [illegible] a pension [illegible] are limited – in [illegible] case [illegible] a friendly society, [illegible] monthly contri-[illegible]

[illegible] year in which the property market began [illegible] falter. The Halifax house price index, which began in 1983, reached [illegible] peak of 228.5 in July 1989 – an 18 per cent rise [illegible] the previous 12 months. To cool [illegible] curb inflation, [illegible] up [illegible] 15 per [illegible] October [illegible]

Anyone who bought property [illegible] beginning [illegible] 1989, for fear [illegible] they might [illegible] be [illegible] to [illegible] purchase later, will have made a loss, on [illegible]age, of almost 7 per cent.

Unfortunately, past performance is not necessarily [illegible] guide to the [illegible] and investors, particularly those who do [illegible] intend to take [illegible] long-term view, will [illegible] the [illegible] of the investment roulette wheel.

Why the FT is making changes…

Saturday readers turning [illegible] today's share price listings will find a curious mixture [illegible] the familiar. The grey-on-pink columns look, at a glance, just [illegible] they always [illegible] – [illegible] as they [illegible] done [illegible] tyography [illegible] changed [illegible] or so [illegible] All [illegible] listed are exactly the same as before, and [illegible] the [illegible] into [illegible] they [illegible] divided [illegible] identical. [illegible] split [illegible] merged, however, [illegible] shares have moved sectors, and the [illegible] of several [illegible] altered subtly.

Overall, [illegible] could [illegible] some [illegible] adjust to the changes. To [illegible] process easier, this [illegible] also [illegible] a two-page alphabetical listing of every security carried in [illegible] London Share Service, together with the name [illegible] the sector in which [illegible]

The FT [illegible] organised [illegible] prices [illegible] industry for years. Investors like [illegible] a quick [illegible] a [illegible] is doing in comparison with its industry rivals; putting them alongside [illegible] other [illegible] manageable [illegible] allows the price/earnings [illegible] or day's price change of, [illegible] compared easily with [illegible] of SmithKline Beecham.

None the less, arranging shares by sector does [illegible] it [illegible] up a [illegible] for [illegible] first [illegible] You must first [illegible] heading under which it is likely to be found, then [illegible] that on [illegible] In the [illegible] cases, it could be [illegible] several [illegible] finding [illegible] right [illegible]

This problem can [illegible] lessened by using [illegible] and carefully [illegible] For this reason, the *FT* [illegible] a year or so ago from [illegible] traditional sectors (memorable for the number [illegible] described [illegible] Industrials, Miscellaneous) to the [illegible] tion [illegible] the FT-SE Actuaries All-Share index.

That classification has now been through its first thorough overhaul in [illegible] yield [illegible] reflect more accurately the shape of today's market. Electricals and Electronics [illegible] been merged. Oil and [illegible] been sub-divided, as [illegible] Health [illegible] Household. And each of the traditionally large grab-bag of Miscellaneous [illegible] given [illegible] proper home [illegible] its own.

The normal daily table reporting the All-Share [illegible] changes, [illegible] to show the new [illegible] In [illegible] two-[illegible] alphabetical listing, [illegible] that are [illegible]uents of the All-Share after the normal end-year changes are marked with an asterisk.

There [illegible] one other change to [illegible] London Share Service worth noting. Foreign [illegible] which are not part [illegible] main classification – those categorised as Americans, Canadians, [illegible] – have moved [illegible] beginning of the pages [illegible] the end. The first sector listed is now Banks.

[illegible] regret any inconve-[illegible] caused [illegible] readers by [illegible] change [illegible] sectors, [illegible] hope [illegible] will be short-lived as [illegible] new structure [illegible] familiar. [illegible] the *FT's* financial statistics have had [illegible] with [illegible] number [illegible] changes in [illegible] years. Although [illegible] believe [illegible] improved, [illegible] disruption [illegible] long-established hab-[illegible] brings its own costs. After [illegible] changes, [illegible] hope for [illegible] period [illegible] greater stability.

Peter Martin,
financial editor

■ *Fuller details of the changes [illegible] the All-Share classification appeared in Tuesday's [illegible] Wednesday's editions of the FT.*

FINANCE AND THE FAMILY

Slump in bonus payouts shows signs of easing

***Bethan Hutton** reports [illegible] the outlook for with-profits endowments*

Anyone hoping to [illegible] a mortgage with an [illegible] policy in 1994 will [illegible] watching closely the life [illegible] ance companies' [illegible] of this year's [illegible] rates.

[illegible] on with-profits endowments have been cut quite savagely in the past few years [illegible] insurance companies [illegible] they [illegible] no [illegible] afford to tap into their reserves to pay for past miscalculations. This year, the [illegible] actually some increases.

The picture emerging from the handful of companies [illegible] rates this week (more are due within the next few weeks) is [illegible] a 10-year endowment maturing this year is looking at a lower payout [illegible] previous [illegible] some holders of 25-year policies will face only marginal [illegible] or possible slight increases.

Actual [illegible] been held to the same level as last year in some cases, but the [illegible] payouts [illegible] lower [illegible] maturing [illegible] of the [illegible] of the 1980s.

The final payout on a with-profits [illegible] policy [illegible] made up [illegible] and all bonuses. Reversionary bonuses, added annually, cannot be taken away once they have been given. [illegible] reversionary bonuses are cal[illegible] in two [illegible] nary bonus, which is a percentage of the sum assured; and a bonus on previous bonuses, so that growth is compounded.

These build up over the life of a policy.

Finally, a terminal [illegible] is [illegible] to the policy when it matures, to pass on a share of [illegible] investment returns [illegible] already allocated with annual bonuses. Terminal bonuses can be more than 100 per cent of the sum assured.

With-profits endowment policies are, however, designed to smooth out investment returns [illegible]. In a [illegible] when shares do well (most life funds are invested mainly in equities, along with some property and [illegible] securities), bonuses will usually [illegible] than [illegible] growth [illegible] so that, [illegible] when stocks do not do so well, a similar bonus can still be paid.

[illegible] have to guess [illegible] will be [illegible] the policy. If they get it wrong, and pay far too much for several years when actual returns are low, they will eventually have to compensate by paying [illegible] little when investment returns are better. This is what has been happening recently.

In 1990, bonuses were raised when they should have been cut. Bonus cuts and slightly better investment returns in subsequent [illegible] may not yet [illegible] quite compensated for the dent that made in reserves.

[illegible] slowed this [illegible] but the picture is [illegible] most insurance companies say bonuses are likely to [illegible] in future, [illegible] high rates can no longer be justified in times of low inflation and expected lower investment returns. Larger cuts [illegible] prevented this year only because [illegible] spectacular stock market performance towards the end of 1993.

[illegible] with-profit endowments [illegible] been [illegible] by most companies this year, but they depend less on the discretion of the actuaries and more on the actual performance of the [illegible].

Some insurers have to [illegible] particularly cautious with 10-year payouts this year because there are larger than usual volumes of 10-year policies maturing. Life assurance premium relief was [illegible] in 1984 and many people rushed to buy policies before the deadline. Miscalculations this year could cost insurers more than normal.

Although returns from endowments are falling, insurance companies are keen to stress that, for a relatively low-risk investment, they still provide [illegible] respectable return above inflation, [illegible] has also been falling.

For example, a Norwich Union with-profits endowment [illegible] 25 years ago by [illegible] 29-year-old man [illegible] £30 [illegible] month would now [illegible] worth £58,694, representing an annual yield of 12.9 per cent. [illegible] 10-year policy on [illegible] same [illegible] now worth [illegible] yield [illegible] 11.9 per cent.

In comparison, £30 a month paid into [illegible] unit trust savings plan for the median UK equity income fund, starting 10 years [illegible] would now [illegible] worth £7,043, and £101,228 after 25 years (according to the [illegible]ation of Unit Trusts and Investment Funds, and Micropal). If the money [illegible] personal equity plan, [illegible] be £7,724 [illegible] £146,993.

Of course, unit trusts do not provide any [illegible] insurance [illegible] many endowments, particularly 10-year policies, are taken out purely as investments with the life insurance element being a side issue.

[illegible] in recent [illegible] some [illegible] would fail to pay off the mortgages they were intended to [illegible] appear to have [illegible] somewhat for policies maturing in this and the next few [illegible]. But if investment returns are low throughout [illegible] 1990s, [illegible] might present [illegible] potential problem to holders of policies from the late 1980s.

With-profit [illegible] policy 1994 maturity values

Insurer	10 year	change on year	25 year	change on year
AXA Equity [illegible] Law*	£6,734	-7.3%	£61,130	-2.8%
Clerical Medical	£6,537	-6%	£60,820	-1%
Friends Provident	£6,709	[illegible]	[illegible]	+0.2%
General Accident	£6,567	-0.4%	[illegible]	[illegible]
Norwich Union	£6,674	-4.5%	£58,694	[illegible]
Royal London	£7,198	-1.7%#	£62,014	-2.8%#
[illegible]	£6,105	-2%	[illegible]	+2%

[illegible] maturing on January 1, 1994, taken out by man aged 29, paying £30 a month. * As at December 1993. Terminal bonuses to be revised February 1994. # But unchanged from February 1993.

How to beat the fuel tax

W[illegible] less than three [illegible] before value added tax is imposed [illegible] fuel, electricity companies appear to have realised the cash-flow benefits of [illegible] customers [illegible] in advance, so avoiding VAT.

[illegible] regional [illegible] are sending out information on the tax dodge with their quarterly accounts, and some have printed [illegible] for [illegible]ers who want to pay a lump sum in March to cover bills [illegible] year or two ahead. British Gas is not encouraging [illegible]ment but will accept it.

VAT will be charged at 8 per [illegible] domestic fuel bills – now zero rated – from April 1 and 17.5 [illegible] the same date next [illegible] advance payments avoid the tax.

The savings from [illegible] in advance outweigh the interest lost by taking your money out of the building society at [illegible]ent interest rates.

Maurice [illegible] a VAT specialist [illegible] Chantrey Vellacott, [illegible] the return on paying in advance for two year's worth of fuel at about 16 per cent, compared with perhaps 3 per cent net from an average building society account. Higher-rate taxpayers could do even better than those on the basic rate, as their net returns from money on d[illegible] are even lower.

It [illegible] in advance if:

- You have money sitting on deposit [illegible] standard interest rates which you are not likely to need for anything else.
- You do [illegible] to move [illegible] in the near future.
- You use mainly gas and/or electricity.

If your electricity [illegible] has not made [illegible] arrangements, you will need to attach an explanatory letter to the [illegible] for [illegible] over-payment, to make sure it is dealt with as [illegible] intend.

If you are not intending to pay in advance, but receive an estimated [illegible] or electricity bill [illegible] quarter which [illegible] lower than your actual meter reading, make a point of sending back the reply card and asking [illegible] bill to be adjusted. This way, you do not end up paying VAT on fuel actually [illegible] before April.

The benefits to users of solid fuels are [illegible] less clear-cut than for those of gas and electricity. Paying for two year's [illegible] heating oil before April would indeed avoid VAT – but few households have oil tanks large enough to cope with [illegible] year's supply. [illegible] would be paying for goods not yet delivered.

If you paid [illegible] a [illegible] amount in advance, but had taken delivery of perhaps only [illegible] third [illegible] the supply com[illegible] you would be left as an unsecured creditor, with little chance of recovering much of your money. Large privatised utilities stand less chance of going bust in the space of two years than small suppliers.

"It is all very well putting a deposit with a blue chip plc, but perhaps not so good putting a deposit with a local fuel [illegible] company," [illegible] Fitzpatrick. "I think one would have to exercise considerable caution."

There is, however, every reason to refill your oil tank by the [illegible] of March rather than waiting for the autumn as you might [illegible] normally.

Bethan Hutton

The Week Ahead

[illegible] Monday when Tomkins reports interim results the market will be looking for reassurance about trading conditions for Ranks [illegible] McDougall which the conglomerate acquired a year ago. Analysts are expecting pre-tax profits of about £87m (£47.1m) for the six months to end-October giving a dividend of about [illegible] fully-diluted earnings of 5.1p (4.87p), not [illegible]usted for share issues to [illegible] the RHM acquisition.

The City will be particularly keen to hear the year-end results [illegible] Wednesday of First Leisure, [illegible] discos, bingo and bowling [illegible] shares [illegible] in [illegible] to [illegible] November on fears of weak leisure spending by the public. The shares have recovered to 285p b[illegible] the City is still looking for reassurance.

Analysts forecast pre-tax profits of about £32m (£31.1m) for the year to October and a final dividend of 4.7p (4.25p).

Rank Organisation reports preliminary results on Thursday amid speculation about [illegible] scale of the likely dent in the figures caused by the decision of its joint venture partner [illegible] global workforce. Analysts are looking for pre-tax profits around £264m [illegible]

However, full-year results from TSB Group are likely to cheer the market. Figures are [illegible] recover [illegible] lower [illegible] debt [illegible] Analysts are forecasting pre-tax [illegible] of £260m-£280m for the year to October 31 compared with £6m, re-stated from £43m to comply with new accounting rules.

PRELIMINARY RESULTS

Company	Sector	Year [illegible]	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Beckenham	Misc	Oct	4,200 L	[illegible]	-	[illegible]	-	(-)
Greenwich Resources	Mins	Sep	105	(697 L)	0.1	(-)	-	(-)
Osprey	Med	Sep	5,070§ L	(336 L)	-	(-)	0.1§	(0.05)
Torex Hire	C&C	Oct	97	(335 L)	0.67	(-)	0.6	(0.4)

INTERIM STATEMENTS

Company	Sector	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
[illegible]	C&C	Oct‡	[illegible]	(501)	2.0	(2.0)
Banks (Sidney C)	FdMa	Oct	[illegible]	(1,530)	3.5	(3.0)
Cassidy Brothers	Misc	Oct	541	[illegible]	[illegible]	[illegible]
Caxtons Group	InTr	Sep¥	1,070	(-)	2.0	[illegible]
Dixons	Strs	Nov§	17,300	(14,000)	[illegible]	(1.6)
Druck	Elec	Sep	2,080	[illegible]	3.7	[illegible]
Fleming Intl High Inc	InTr	Nov†	48.5	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	980	(357)	-	(-)
[illegible]	[illegible]	[illegible]	3,510	(1,760)	1.4	(1.3)

(Figures in parentheses are for the corresponding period.) *Dividends are shown net pence per share, except where otherwise indicated. L loss. † Net asset value per share. ¥ [illegible] for 9 months. [illegible] Figures [illegible] ‡ Figures [illegible] pounds and pence. § Figure for [illegible] months.

RIGHTS ISSUES

Beckenham Group is to raise £1.09m via a 1 for 30 at 25p rights issue of 5.45m shares.

OFFERS FOR SALE, PLACINGS & INTRODUCTIONS

Beckenham Group is to raise £3.9m via a placing of 15.6m shares at 25p.

Edinburgh Fund Managers [illegible] to raise £50m via the placing and offer of 50p shares in the Edinburgh New Tiger Trust.

Thornton Pan-European Inv Tst is to raise £3m via a placing of zero div pref shares at 50p.

RESULTS DUE

[illegible]	[illegible]	Announcement due	Dividend [illegible] Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS					
Aberdeen Trust	OtFn	Monday	1.0	0.5	[illegible]
Barr (AG)	FdMa	Monday	1.75	4.75	[illegible]
Dewhurst	Elec	[illegible]	0.32	0.68	0.4
Dragon Oil	[illegible]	[illegible]	-	-	-
First Leisure	H&L	Wednesday	1.88	4.26	[illegible]
Hardin	Text	Tuesday	-	0.69	[illegible]
Irish Continental	Tran	Wednesday	-	-	-
Kershaw (A)	Misc	Thursday	9.0	18.0	9.0
M & W	FdRe	Monday	-	-	-
Microgen Holdings	PP&P	Thursday	2.2	5.08	2.2
Neotronics Technology	Elec	Thursday	0.85	[illegible]	[illegible]
Quality Care Homes	H&H	Monday	0.15	[illegible]	[illegible]
Rank Org	H&L	Thursday	10.25	20.75	10.25
Stakis	H&L	Tuesday	-	0.45	0.45
Tomkins	Cngl	Monday	1.805	4.545	-
Treatt	FdMa	[illegible]	1.0	2.5	[illegible]
Tribune Group	InTr	[illegible]	-	-	-
TSB	Bank	Thursday	3.15	3.35	3.15
Watson & Philip	FdRe	Tuesday	4.2	9.1	[illegible]
INTERIM DIVIDENDS					
Barbour Index	BsSr	Tuesday	2.85	[illegible]	-
Birkdale	Med	Wednesday	-	-	-
Bromsgrove Industries	Eng	Wednesday	1.85	2.75	-
Clark (Matthew)	B&D	Thursday	6.75	10.0	-
Court Cavendish	OtFn	Friday	-	-	-
Cray Electronics	Elec	Thursday	0.5	1.0	-
Dixons	Strs	Wednesday	[illegible]	4.8	-
Dudley Jenkins	Misc	Wednesday	[illegible]	2.1	-
Ellis & Everard	Chem	Monday	2.25	4.8	-
Eurocamp	H&L	Friday	3.45	-	-
First National Finance	OtFn	Wednesday	0.5	-	-
Fleming Grd Inc & Assets Tst	InTr	[illegible]	[illegible]	-	-
Goode Durrant	Cngl	[illegible]	[illegible]	[illegible]	-
Hollas	Text	Tuesday	0.6	[illegible]	-
[illegible]	OtFn	Tuesday	0.75	1.45	-
Investment Co.	OtFn	Monday	0.5	1.0	-
Jacques Vert	Text	Tuesday	[illegible]	[illegible]	-
Jones Stroud	Elec	Thursday	3.3	5.5	-
Kalt Energy	[illegible]	[illegible]	-	-	-
[illegible]	[illegible]	[illegible]	1.5	3.3	-
Property Trust	Prop	Wednesday	-	-	-
PSIT	Prop	[illegible]	1.5	2.625	-
Saville (J) Gordon	M&MF	[illegible]	0.5	1.7	-
Smith (David S)	PP&P	[illegible]	2.75	7.25	-
Surrey Group	H&L	Thursday	-	-	-
VHE Holdings	[illegible]	Tuesday	-	-	-
Wyko	Eng	Thursday	0.5	0.5	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. Reports and accounts are not normally available until about 6 weeks after the board meeting to approve preliminary results. †† = 3rd Quarter figures. [illegible] 1st Quarter figures.

TAKE-OVER BIDS AND MERGERS

[illegible]	Value of bid per share**	Market price**	[illegible] bid	[illegible] £ms**	Bidder
Prices in pence unless otherwise indicated					
Bennett & Fountain ‡	2*	3	[illegible]	[illegible]	[illegible]
Central Ind T/V	2600	2990	2169	758.00	[illegible] Comms.
LWT	684	661	595	686.81	[illegible]

*All cash offer. ††Value [illegible] based on 30% stake. [illegible] capital not already held. ‡ Unconditional. **Based on 2.30 pm prices 7/1/94. §§Shares and cash. †Value of bid based on remaining 20% of shares. ¥Value of bid based on remaining 25% of shares. ‡ Net asset Value.

FINANCE AND THE FAMILY

East gives west a boost

*Hong Kong's growth has stimulated fund performance, says **Scheherazade Daneshkhu***

D[redacted] not be disappointed if your unit or investment trust is not included in the four tables (below) of the top collective funds over three and 10 years. Figures released this [redacted] by Micropal show that those heading the list are most likely to be highly specialist funds.

Take the unit trust tables: eight of the 10 funds [redacted] the two periods are in the Far [redacted] Japan) [redacted] Much of the growth has come from [redacted] sharp increase in Hong Kong; last [redacted] alone; the Hang Seng index [redacted] by 115 per [redacted] Hong Kong [redacted] seen by many fund managers [redacted] the most exciting growth "opportunity" of the future [redacted] the capitalist transformation [redacted] the Chinese economy.

It is, therefore, no surprise that the fund which has dominated the Far [redacted] (excluding Japan) sector is one [redacted] mainly there. Gartmore Hong Kong heads both unit trust tables and was also [redacted] top-performing unit trust [redacted] (all figures to [redacted] beginning of January; offer [redacted] with [redacted] re-invested).

There are, however, unlikely [redacted] be many private investors brave enough [redacted] Hong Kong [redacted] their main [redacted] home. While being [redacted] pent-up demand and [redacted] reform in China, the colony's stock market [redacted] also vulnerable to internal Chinese politics and to Beijing's [redacted] tile relations with the west.

Still, anyone who had [redacted] foresight 10 years ago [redacted] invest, say, £5,000 in Gart[redacted] Hong [redacted] fund [redacted] have turned [redacted] into almost [redacted] today.

The [redacted] other top-performing unit trusts listed [redacted] the [redacted] are [redacted] in the European sector. Baring European Growth has a strong long-term performance record and was managed [redacted] many years by [redacted] widely-respected Crispin Odey, who [redacted] in 1991. The fund has [redacted] then from [redacted] to £480m, and [redacted] managed now by Omid Kamshad.

St James's Place is a three-man investment team which, apart from managing a range [redacted] trusts, [redacted] runs pension and life funds [redacted] J. Rothschild Assurance, [redacted] established by [redacted] Weinberg [redacted] Lord Rothschild.

The strongest performers among [redacted] investment trusts are [redacted] a [redacted] variety of [redacted] but, [redacted] again, [redacted] cialists [redacted] to [redacted] short-term performance tables. [redacted] trust figures [redacted] a mid-market [redacted] mid-market [redacted]

The top [redacted] – Capital Gearing – [redacted] in [redacted] a small fund [redacted] only [redacted] The [redacted] ond-best performer [redacted] same period [redacted] capital [redacted] split-capital [redacted] Dual trust, which is due [redacted] be wound up in [redacted] Capital [redacted] highly-geared and are regarded traditionally as risky investments, since they [redacted] the income [redacted] rely [redacted] performance [redacted] the remaining assets [redacted] wind-up.

The table [redacted] however, [redacted] the more [redacted] TR [redacted] of [redacted] and [redacted] Debenture, both managed by [redacted] Touche Remnant. Law Debenture is invested [redacted] spread [redacted] investments and is managed by Michael [redacted] was also TR City of [redacted] manager until 1991. TR City [redacted] mainly in [redacted] chip UK [redacted] with [redacted] of producing [redacted] higher than [redacted] yield.

The three-year investment trust performance figures are, [redacted] again, led by an oddity. The ordinary [redacted] split-level TR Technology fund [redacted] highly-geared. John Korwin-Szymanowski, investment trust analyst [redacted] S.G. Warburg, [redacted] this gearing [redacted] been [redacted] by [redacted] stepped preference [redacted] shares. The trust [redacted] in high technology companies, mostly in the UK and US.

Murray Enterprise [redacted] a split-capital trust [redacted] investment strategy of capital growth through investment mainly in unlisted securities.

The other funds in the three-[redacted] investment trust table are in the Far East (excluding Japan) sector.

Scottish Asian was launched in 1990 by Murray Johnstone. Korwin-Szymanowski [redacted] it is differentiated from most Far East funds by the investment policies [redacted] Montgomery, its [redacted] He has a reputation for preferring large weightings [redacted] he believes will perform well rather than a [redacted] portfolio.

Although most of the top-performing [redacted] funds are specialists, it is reassuring to [redacted] the [redacted] well-established [redacted] Murray John[redacted] and [redacted] Touche take [redacted] lion's [redacted] as managers of the top investment trusts, while the glory is spread [redacted] broadly among the unit trusts. Capel-Cure Asset Management, which fea[redacted] prominently in [redacted] same exercise in [redacted] previous [redacted] years, [redacted] conspicuous by [redacted] absence [redacted] round.

[redacted] which topped the [redacted] this [redacted] will not [redacted] sarily do [redacted] future. As [redacted] articles by John Cuthbert in [redacted] *FT* have shown, investors [redacted] the [redacted] by [redacted] returns they achieve.

Best unit trusts over 10 years		Best unit trusts over three years	
Trust	% growth	Trust	% growth
Gartmore HK	[illegible]	Gartmore Hong Kong	453.09
S&P SE Asia Growth	[illegible]	[illegible] Capital HK	399.53
Baring Euro Growth	[illegible]	Fidelity Asean	372.85
Invesco HK & China	[illegible]	Capel HK Growth	350.95
St James's Pl Gth Euro	[illegible]	Invesco HK & China	355.47

Best investment trusts over 10 years		Best investment trusts over three years	
Trust	% growth	Trust	% growth
Capital Gearing	[illegible]	TR Technology Ord	607.95
M&G 2nd Dual Cap	[illegible]	Murray Enterprise	428.68
Murray Smllr Mrkts	[illegible]	Scottish Asian	423.23
Law Debenture	759.08	Gartmore Emrg Pacif	379.89
TR City of London	[illegible]	TR Pacific	367.03

Bond funds

[redacted] below shows unit [redacted] investing in predominantly UK fixed-interest [redacted] Such funds [redacted] a fairly wide range [redacted] securities, including govern[redacted]ties (gilts), corporate bonds, convertibles [redacted] preference shares.

[redacted] have performed extremely well recently as interest rates have dropped – yet Abtrust Fixed Interest, the best-performing fund in the table, holds none. Its portfolio [redacted] mainly convertible [redacted] (about two-thirds), with [redacted] in preference [redacted] and higher-yielding Eurobonds.

Paul Reed, manager [redacted] the fund, says: "We went for [redacted] vertible stocks where we could [redacted] an equity kicker [redacted] virtually nothing. [redacted] would yield more than gilts and [redacted] would [redacted] equity option in there, too."

Convertibles are corporate bonds combined with an option to be switched [redacted] equities under certain circumstances. When equity markets are doing well, this can add considerably to the performance of convertibles. But as soon as Reed starts to worry [redacted] prospects for the equity market, he will reduce his holding of them.

The higher yields available from corporate bonds make them attractive to fund managers despite their being regarded [redacted] more risky than gilts, the reasoning being [redacted] a company [redacted] likely to [redacted] bust than the government. "If I can get [redacted] spread of 1.5 to [redacted] in [redacted] thing else, and I like the credit, I will hold that rather than gilts," [redacted] Reed.

The [redacted] Bond fund, second in the table, [redacted] per cent invested in gilts, with [redacted] in corporate bonds. When it was launched in April [redacted] the fund held some [redacted] bonds, but [redacted] holdings [redacted] and it [redacted] wholly in the UK.

Mark Campbell, [redacted] Baillie Gifford, which manages BG Bond, [redacted] "It [redacted] by no means a straight gilt fund. It will always [redacted] to [redacted] a weighting in [redacted] but [redacted] are quite happy to use other corporate and local authority bonds to give it that slight edge."

After such a good year for gilts, are they due for a fall? "Returns will be more modest in 1994 but there is scope for further gains," predicts Campbell.

Abtrust charges 5.25 per cent initially and 1 per cent annually, with [redacted] minimum investment [redacted] BG Bond charges 5 per cent initially, 0.4 per cent annually, and is aimed at larger [redacted] with a minimum [redacted] £5,000.

Bethan Hutton

10 highest performing UK bond funds

Fund	Size (£m)	Yield (%)	Perf*
Abtrust Fixed Interest	16.2	6.98	37.14
BG Bond	23.78	5.66	[redacted]
Exeter Balanced	7.25	4.4	[redacted]
Framlington Gilt	15.31	[redacted]	[redacted]
M&G Gilt Income	89.77	[redacted]	[redacted]
Edinburgh Pref Share	20.20	5.56	[redacted]
Whittingdale Gilt Growth	10.79	[redacted]	[redacted]
Guinness Flight Premium F.Int	12.4	7.53	[redacted]
Legal & Genl Fixed Int	1.4	5.83	[redacted]
Hill Samuel Gilt & F. Income	16.6	6.69	[redacted]
Sector average	21.0	5.69	[redacted]

[redacted]

FINANCE AND THE FAMILY

Diary of a Private Investor

Keep your eye on small companies

This sector could still offer some bargains in 1994, says ***Kevin Goldstein-Jackson***

Now that professional pundits, City gurus, newspaper columnists, astrologers and others have revealed their thoughts and forecasts for 1994, I [illegible] much happier. Between them, there are enough variations to [illegible] that [illegible] one will be [illegible] as I [illegible] last year.

Making my [illegible] predictions [illegible] December [illegible] I [illegible] right in believing that interest [illegible] would fall; [illegible] insurance companies would slash their bonus rates; the Conservatives would incur losses in the county elections; unemployment [illegible] remain high; [illegible] that while the government would show [illegible] economy [illegible] improving, "troubles" would break [illegible] in unexpected places [illegible] I also hoped Taurus, [illegible] London stock market's electronic share settlement system, [illegible] be aborted - [illegible] it [illegible]

But I [illegible] completely wrong in adopting a cautious [illegible] towards the stock market. Although I expected people [illegible] havens for their [illegible] other than low-yielding [illegible] building society accounts, I failed [illegible] foresee the heights to which markets around the world (including the UK) would be pushed by the weight of money seeking large returns.

My stupidest comment of all was: "There will [illegible] many pitfalls for private investors in [illegible] - including avoiding [illegible] ITV companies which have bid too high for their franchises [illegible] have [illegible] paying for those bids." Yorkshire TV was 110p [illegible] January [illegible] - but had risen to 156p by [illegible] of [illegible] year, largely because of investors anticipating a shake-up [illegible] the television industry.

I also said [illegible] making significant profits would "depend largely [illegible] monitoring shares in small companies carefully, and taking advantage of any further major upheavals in currencies." [illegible] some [illegible] companies achieved spectacular returns [illegible] 1993, [illegible] major companies, which I [illegible] thought [illegible] at optimum levels in 1992, [illegible] powered [illegible] produce very attractive gains.

In [illegible] early draft of that article, I [illegible] included [illegible] comment: "Backing [illegible] individuals, like Peter Buckley of Caledonia Investments, could also prove profitable [illegible] 1993." Unfortunately, I revised the article [illegible] exclude that (and other) [illegible] and [illegible] my [illegible] advice.

Caledonia Investments, 448p [illegible] January 1993, had risen to 634p by the [illegible] of [illegible] year. Buckley [illegible] also on the boards of Amber Industrial (which rose from 345p to 725p), English [illegible] Scottish Investors (up from 88p to 124p), Sterling Industries (126p [illegible] 200p) and the Telegraph publishing group (345p [illegible] 495p).

With such personal fallibility in mind, my expectations for 1994 undoubtedly will undergo much revision as the year progresses. At the moment, though, I believe there [illegible] likely to [illegible] bargains among small companies.

Many years ago, when [illegible] I took an interest in [illegible] sector, there were no [illegible] of [illegible] trusts specialising in [illegible] companies. I could invest knowing that my fellow investors were, largely, other private investors (including [illegible] members of the companies concerned) and perhaps one or two pension funds (such as the Mars confectionery firm). Many of [illegible] shareholders [illegible] prepared to [illegible] patient and [illegible] for the long term. [illegible] increased unit [illegible] interest [illegible] changed my perception of many [illegible] companies.

Unit trusts are driven by what their investors want. If they decide suddenly that trusts specialising in, say, emerging markets [illegible] interesting than [illegible] UK companies, then they will switch [illegible] these. The only way trust managers can repay those switching investors (apart from attracting [illegible] replace them) [illegible] to sell [illegible] trusts' small company holdings.

Share dealings in [illegible] number of small companies [illegible] exactly easy at the best [illegible] times: share liquidity [illegible] difficult, [illegible] of them [illegible] not traded actively. If [illegible] trust has [illegible] sell [illegible] holding of 1 [illegible] 2 per [illegible] (or more) [illegible] a small company, this could have [illegible] disproportionate effect [illegible] its share price, [illegible] shares might have to [illegible] marked down substantially before buyers [illegible] found for [illegible] of them. I intend to watch for any such sharp mark-downs; they could reveal excellent buying opportunities.

In 1993, [illegible] of [illegible] emerging markets' unit trusts achieved massive gains, [illegible] I expect [illegible] people [illegible] attracted towards such [illegible] early [illegible] year as [illegible] gains become known more widely. In some of those countries, however, "share ramping" [illegible]

Several people combine [illegible] push up [illegible] share price in the expectation that others, believing the company [illegible] excellent prospects, will invest and drive the price still higher. The original group then [illegible] its shares at a fat profit before serious [illegible] be raised about the relative worth [illegible] the company [illegible] price [illegible] back.

Although there has been much recent comment about the UK emerging from [illegible] January sales setting records at certain shops, I am [illegible] rushing [illegible] buy shares in the store sector. Sales may well be up - [illegible] what about profit margins?

The recession has made many more people seek value [illegible] money. [illegible] has also led a number [illegible] discover [illegible] social conscience. In [illegible] main, conspicuous consumption is [illegible] longer fashionable, apart from [illegible] of the newly-rich in Hong Kong. Even there, as 1997 approaches, more people [illegible] start to think [illegible] the parallels with Shanghai in the 1920s and [illegible] of the events that followed.

I shall, therefore, [illegible] out those companies world-wide [illegible] provide goods and services that are [illegible] offer value for money, [illegible] their shares ought to perform better than others.

I will also be searching for companies that provide [illegible] thing [illegible] and exciting. What [illegible] latest technological innovation - the useful something [illegible] people [illegible] they must have?

This year could be full of surprises. I hope I will [illegible] daring enough [illegible] profit from them.

Beating pension costs

The shortcomings of personal pensions have been reported widely, especially [illegible] high commission charges which lead [illegible] lower transfer values or future pay-outs. For equity-based schemes, fund [illegible] charges also [illegible] be substantial.

When I left a public [illegible] scheme in December 1985, I [illegible] a lump sum transfer [illegible] a unit-linked personal pension. The transfer took effect in mid-1989; soon afterwards, the insurance company involved increased its management fees. It claimed [illegible] needed [illegible] extra [illegible] imposed by the [illegible] Services Act of [illegible] which was implemented in [illegible]

The annual charge [illegible] up from 0.5 [illegible] per [illegible] the company's building society deposit fund, while the [illegible] for other [illegible] was from 0.75 to 1 [illegible] cent. Thus, [illegible] pension valued at [illegible] incurred fund management charges of up to £1,000 [illegible] year. I decided this could be avoided by investing directly in deposit accounts and in investment trusts which had lower management [illegible]

After investigating several options, I [illegible] personal pension into a [illegible] self-administered scheme (SSAS) in [illegible] 1992. [illegible] costs (for the insurance company's administrative [illegible] auditing) were lower [illegible] fund management charges for the personal pension.

[illegible] I [illegible] time [illegible] retirement, I hoped the performance of the [illegible] would match that of [illegible] managers, who are [illegible] by monthly comparisons.

[illegible] a professional economist, I reasoned that my strengths lay in assessing economic trends and sectoral prospects but [illegible] others might [illegible] better [illegible] selecting companies. So, I decided investment trusts could be used [illegible] complement [illegible] skills.

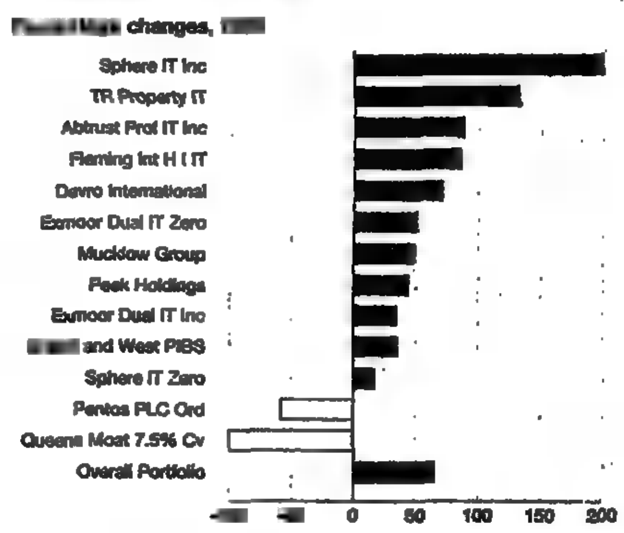
Acting as my own investment manager, I use Fidelity Brokerage [illegible] an execution-only basis. I monitor the portfolio weekly, using Fairshares software, and prepare the accounts on Sage Accountant. These [illegible] can be fitted in with other activities, but [illegible] SASS would [illegible] less attractive if [illegible] had to be charged at market rates.

Late [illegible] 1992, [illegible] property [illegible] was identified by investment [illegible] as [illegible] for [illegible] substantial re-rating [illegible] I bought Artesian Commercial, an unquoted company; TR's Property Investment trust; and [illegible] Group, the property [illegible] and developer.

Since a marked reduction in [illegible] interest rates also was expected, this [illegible] the attraction of [illegible] shares of split capital investment trusts. These provide a geared return under such circumstances and, as a bonus, they offer excellent yields.

McClements' portfolio

[illegible] changes, [illegible]



[illegible] of the [illegible] equity fund [illegible] invested during [illegible] early months [illegible] 1993 and, since it has now been operating for a full year, its initial performance can be assessed. The property recovery and reduction in [illegible] have been more rapid than expected: the portfolio valuation is 59 [illegible] cent above its starting [illegible] year ago. This [illegible] with a 23 per cent increase in the FT-A [illegible] and [illegible] performance in my [illegible] unit-linked pension schemes.

The equity fund [illegible] 14 companies plus [illegible] market bank [illegible] Individual returns range from an increase of 197 per [illegible] in Sphere IT Income [illegible] a likely [illegible] of [illegible] per cent in Queens [illegible] 7.5 [illegible] Convertible Preference [illegible] chart).

Pentos [illegible] proved a [illegible] disappointment, but good profits were [illegible] during the year on Japanese and emerging [illegible] investment trusts warrants. Only 4 per cent of [illegible] fund [illegible] in [illegible] at the year-end.

[illegible] per [illegible] return beginner's luck? I think [illegible] since the changes were foreseen but happened more rapidly than expected. In the coming [illegible] I plan [illegible] my gains as [illegible] out. [illegible] of the investment trust income [illegible] are [illegible] giving very good yields, but the portfolio is vulnerable to [illegible] rise in inflation and higher interest [illegible]

I will [illegible] continue to [illegible] for sectors with recovery potential - property development, construction and oil exploration are possibilities.

Leslie McClements

■ [illegible] *McClements* [illegible] *an* [illegible] *consultant.*

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED [illegible] USM)

Company	Sector	Shares	Value	No of [illegible]
SALES				
Bilton	Prop	2,140	14	1
Blenheim Group	Med	15,000	47	1*
BPB Industries	BdMa	30,000	105	1
Bradstock	Ins	65,000	95	1
British Data Mngmt	Supp	200,000	[illegible]	1
British Gas	GasD	27,820	99	1
Capital Radio	Med	7,500	21	1
Crossroads Oil Grp	Oil	950,000	157	1
Delta	Elcs	3,000	14	1
EMAP	Med	4,256	17	2
Enterprise Oil	Oil	12,308	66	1
Glaxo	Phar	136,497	964	1*
Grand Metropolitan	Spir	256,880	1,228	2*
Grand Metropolitan	Spir	11,576	54	1
Hambros	Merc	70,000	279	1*
H'land Distilleries	Spir	40,000	142	1*
Lincoln House	Hous	121,106	36	1
Lloyd Thompson	Ins	50,000	131	1
Lynx Holdings	Supp	100,000	42	1
MAI	OthF	50,000	131	1
Norcros	BdMa	15,000	29	1
Persimmon	BdCo	71,621	218	1
Premier Land	Extl	500,000	33	1
Reed Intl	Med	15,000	133	1
Reuters Holdings	Med	12,095	218	2*
Seton Healthcare	Hlth	100,000	310	1
Severn Trent	Watr	15,367	92	1
Sheldon Jones	FdMa	491,278	214	1
Southern Water	Watr	3,000	20	1
Standard Chartered	Bank	93,058	1,133	1*
Telegraph, The	Med	13,333	62	1
Tinsley Robor	PP&P	125,000	29	1
VTR	Med	10,000	12	1
Warburg (SG)	Merc	101,546	962	1*
Wates City of Londn	Prop	200,000	176	1
Wessex Water	Watr	12,000	88	1
Wimpey (George)	BdCo	600,000	1,086	1
PURCHASES				
Bernard Mathews	FdMa	125,000	98	1
Booker	FdMa	6,000	25	2
British Thornton	PP&P	50,000	90	1
Carlton Comm	Med	2,500	22	1
CityCntr Restaurant	L&Ho	23,000	19	1
City of Oxford Inv	InTr	50,000	51	1
European Mtr Hldgs	Dist	15,000	21	1
Fairway Group	PP&P	25,000	18	1
Greggs	ReFo	1,940	13	1
Hampden Group	ReGn	100,000	17	2
Holliday Chemical	Chem	25,000	40	1
MEPC	Prop	3,616	20	3
National Home Loans	OthF	100,000	31	1
Reliance Securities	Supp	10,000	11	1
Scottish Eastern	InTr	50,000	43	1
Triplex Lloyd	Eng	10,000	13	1
Ulster Television	Med	10,000	51	1
WSP	Supp	52,000	18	1

Value expressed in £000s. This list contains all [illegible] including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 20 - 31 December 1993.
Source: Directus Ltd, The Inside Track, Edinburgh

Directors' transactions

In spectacular market conditions, it is hardly surprising to [illegible] volume [illegible] selling rise sharply - not just the [illegible] but [illegible] of [illegible]

Dr Desmond Graves, director of construction company George Wimpey, [illegible] again [illegible] separate [illegible] shares. [illegible] totalling [illegible] at the beginning [illegible] month, so [illegible] latest reduction [illegible] his [illegible] 1.35m shares. [illegible] holds just 270,000, clearly [illegible] is [illegible] very significant divestment. Wimpey has been [illegible] the [illegible] performers in [illegible] in [illegible] year's [illegible]

[illegible] in the [illegible] sector, Persimmon, [illegible] by [illegible] selling. Michael Allen, [illegible] deputy chairman, [illegible] 71,621 shares [illegible] reducing his holding [illegible] just [illegible]

In [illegible] Wimpey, Persimmon [illegible] performed well last [illegible] by [illegible] against the [illegible] the past [illegible] months.

A [illegible] of the selling [illegible] option-related. [illegible] of [illegible] out, [illegible] Chartered where [illegible] particularly strong. David [illegible] director [illegible] banking [illegible] region, [illegible] option over [illegible] selling [illegible] all [illegible] £12.18. [illegible] mid-November, four directors [illegible] exercised options [illegible] large [illegible] resulting holdings.

[illegible] in [illegible] Metropolitan, including [illegible] Sheppard, [illegible] chairman and [illegible] executive, [illegible] large options in Grand Metropolitan [illegible] sold [illegible]

Colin Rogers, the [illegible] Track

News in brief

London-based private bank Leopold Joseph [illegible] launching an index-matching investment service for private [illegible] and small institutions. [illegible] aim [illegible] to [illegible] it claims [illegible] general underperformance against [illegible] stock market [illegible] by private client portfolio managers.

[illegible] Optimised Investment Service will invest in index-tracking unit trusts, covering UK and [illegible] markets, rather than individual shares. [illegible] will include deposits and [illegible] an individually-tailored basis. The minimum portfolio is [illegible]

The [illegible] adopts a largely "buy [illegible] hold" strategy in order to minimise the [illegible] transactions. The annual management [illegible] 0.75 [illegible] up [illegible] the [illegible] £1m, with a [illegible] minimum.

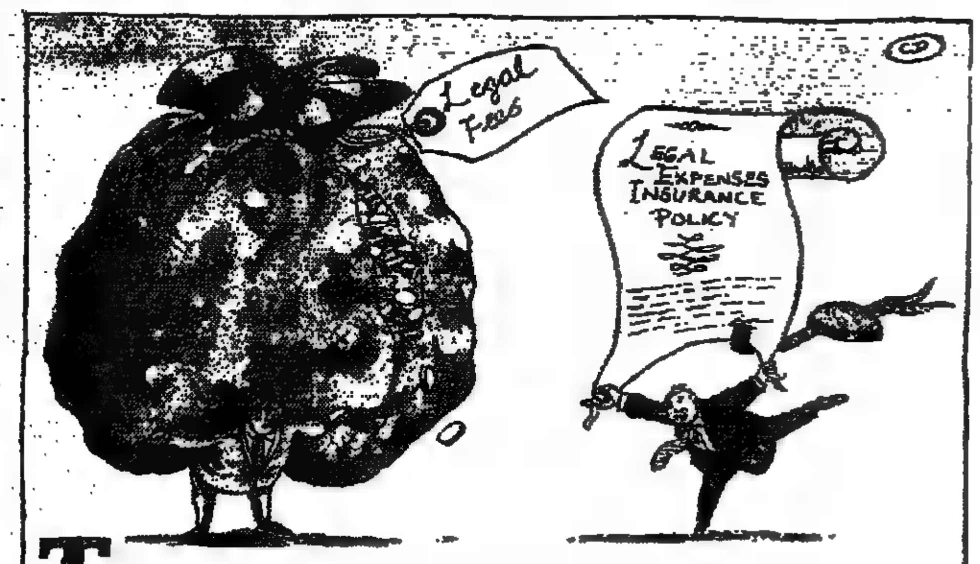
☐ [illegible] Lunniss, [illegible] stockbroking [illegible] Norwich and Peterborough building society, has reduced charges on its Brokerline execution-only telephone dealing service. Commission on [illegible] worth up [illegible] £5,000 is 1 [illegible] (£17 minimum) [illegible] 0.1 [illegible] cent on [illegible] balance [illegible] £5,000. Previous charges had been 1.2 per cent on [illegible] first [illegible] 1 per [illegible] on [illegible] £2,500, and 0.1 [illegible] on [illegible] balance [illegible] £5,000. A customer will [illegible] £5 on [illegible] deal worth [illegible]

☐ Friends Provident is extending [illegible] personal equity plan from the Stewardship unit trust to all [illegible] qualifying unit trusts: Equity, European Growth [illegible] Stewardship income trust. [illegible] initial charge [illegible] per [illegible] while [illegible] annual [illegible] is 1½ [illegible] for [illegible] Stewardship funds and 1 per cent [illegible] Minimum investment [illegible] £1,000 lump sum or monthly contributions of [illegible]

FINANCE AND THE FAMILY

Cover against the law

***Catrin Griffiths** on the benefits of insuring against litigation costs*



THE FULL WEIGHT OF THE LAW

Few companies ever want [redacted] call in the lawyers unless there is no alternative; indeed, an unwanted suit can be especially damaging for smaller businesses struggling to stay afloat.

But with [redacted] charging up to £300 an hour, and fees for barristers running into thousands of pounds, legal expenses insurance – where a company will cover itself against the financial [redacted] litigation might entail – begins to look ever more attractive.

Although this type of insur[redacted] with motor and household policies, where it can be tacked on as an added extra, one of the biggest growth areas has been in policies tailor-made for compa[redacted] These now [redacted] for about £25m of the total £75m [redacted] in the [redacted] legal expenses insurance.

"Last year was a boom year for legal expenses insurance," [redacted] Paul Asplin, [redacted] general [redacted] of Bristol-based DAS, [redacted] leading [redacted]pecialist [redacted] which recorded [redacted] 28 per [redacted] growth in premium income last year.

In spite of this growth, the [redacted] of insurers from which [redacted] pick a policy [redacted] – unlike the Continent, where legal [redacted] *insurance* [redacted] *a* long-established *market*.

[redacted] two leading players in [redacted] UK which provide general [redacted] for companies. [redacted] is DAS, a subsidiary [redacted] the [redacted] based [redacted] Group which [redacted] major German composite insurer. The [redacted] Legal Protection Group Ltd (LPG), a subsidiary of Sun Alliance, which operates from Sutton, in Surrey.

The lowest premiums [redacted] £100 [redacted] the [redacted] basic cover, but [redacted] a package [redacted] about £500. As Douglas Macdonald, sales [redacted] marketing manager [redacted] LPG, points out: "If an hour's worth [redacted] lawyer [redacted] £250 now, then [redacted] can get that for a year's premium."

The [redacted] package usually has [redacted] elements; advice (in [redacted] a legal helpline) and insurance. The helpline is [redacted] act as a "smoke detector" and is likely to provide [redacted] businesses with [redacted] of the benefits [redacted] an in-house lawyer.

Employers [redacted] encouraged [redacted] use the telephone as [redacted] as possible to nip potential problems in the [redacted] LPG's 24-hour advice line has 19 full-time advisers, while [redacted] 100,000 calls [redacted] on its service. Many [redacted] to employment problems [redacted] procedures [redacted] followed. "Typically, [redacted] a boss with [redacted] small business worried about getting rid of someone," says [redacted]

In fact, [redacted] policies [redacted] you [redacted] consult [redacted] helpline [redacted] taking action which could [redacted] to *dismissing anyone.* [redacted] not, you will not be covered).

The [redacted] packages themselves are flexible enough; [redacted] policies [redacted] you [redacted] mix and [redacted] They should include general [redacted] risks [redacted] fees, expenses, witnesses' attendance [redacted] court hearings, and [redacted] awarded against you.

> *'Typically, it's a boss worried about getting rid of someone'*

Typically, these risks take in contract disputes (where you can [redacted] if [redacted] supplier fails [redacted] required specifications); the [redacted] of defence (should mistakes lead [redacted] criminal prosecutions being brought); property problems (relevant to those leasing [redacted] sub-letting); tax proceedings and VAT disputes. Some, but not all, [redacted] provide [redacted] for race and sex discrimination proceedings, or b[redacted]ches under the Data [redacted] Act. This [redacted] add [redacted] £50 or £60 [redacted] the premium.

So, how much [redacted] cover you for? Indemnity limits [redacted] be flexible, [redacted] typically [redacted] £100,000 [redacted] claim.

Although the [redacted] upper limit, [redacted] probably [redacted] not to [redacted] caution [redacted] far; the standard limit for [redacted] policyholders opt [redacted]

If, however, you are [redacted] litigant, you [redacted] necessarily regard legal [redacted] cheque. [redacted] on the contract disputes cover can vary from [redacted] on DAS, [redacted] LPG's minimum [redacted] on [redacted] cover [redacted] £1,000. [redacted] will [redacted] niggling disputes [redacted] so [redacted]

[redacted] will any crusading [redacted] your part convince [redacted] company to [redacted] regards as hopeless. [redacted] is a [redacted] but significant clause which [redacted] you [redacted] have [redacted] "reasonable prospect of success".

"If it's better than a [redacted] chance, we're quite happy with that," says [redacted] But it should be remembered that the insurer decides what constitutes [redacted] "reasonable" prospect, although certain arbitration procedures [redacted] built in. "If [redacted] can't see eye to [redacted] we get an independent lawyer [redacted] give [redacted] report." [redacted] Asplin.

Even if you never see [redacted] courtroom, [redacted] is probably worth [redacted] bit [redacted] of mind for [redacted] smaller businesses. After all, the helpline alone [redacted] cheaper than your own in-house lawyer.

■ *Catrin Griffiths* [redacted] *deputy editor of Legal Business*

HIGHEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/ term	[redacted]	Rate [redacted]	Int. [redacted]
INSTANT ACCESS A/cs						
Coventry BS	Extra Interest	0203 252277	Instant	[redacted]	6.50%B	Yly
Skipton BS	High Street	0756 700511	Instant	£2,000	[redacted]	Yly
Britannia BS	Capital Trust	0538 391741	[redacted]	£10,000	6.60%	Yly
Coventry BS	Extra Interest	0203 252277	[redacted]	[redacted]	[redacted]	Yly
NOTICE A/cs and BONDS						
Bradford & Bingley BS	Direct Notice	[redacted] 248248	30 Day	£1,000	6.35%	Yly
			Postal	£10,000	6.85%	Yly
B & W Asset	Asset 90 Day	[redacted] 303330	90 Day	£25,000	7.30%	Yly
Chelsea BS	Base Rate Plus [redacted]	[redacted] 272505	1.4.95	£5,000	7.50%A	Yly
MONTHLY INTEREST						
Coventry BS	Extra Interest	[redacted] 252277	Instant	£1,000	6.30%B	[redacted]
Bradford & Bingley	Direct Notice	[redacted] 248248	30 Day P	£10,000	6.65%	[redacted]
Coventry BS	Extra Interest	[redacted] 252277	Instant	£25,000	6.85%B	[redacted]
B & W Asset	Monthly Income	[redacted] 303330	90 Day	£25,000	7.07%	[redacted]
TESSAs (Tax Free)						
Hinckley & Rugby BS		0455 251234	5 Year	£25	[redacted]	Yly
Dudley BS		0384 231414	5 Year	£10	[redacted]	Yly
Dunfermline BS		0383 721621	5 Year	£3,000	[redacted]	Yly
West Bromwich BS		021 525 7070	5 Year	£150	[redacted]	Yly
HIGH INTEREST CHEQUE A/cs (Gross)						
Caledonian Bank	HICA	031 [redacted] 8235	Instant	£1	[redacted]	Yly
Chelsea BS	[redacted] Postal	0800 [redacted]	Instant	[redacted]	[redacted]	Yly
				[redacted]	[redacted]	Yly
Northern Rock	Current	0800 591500	[redacted]	[redacted]	[redacted]	[redacted]
OFFSHORE ACCOUNTS (Gross)						
Woolwich Guernsey BS	[redacted]	0481 [redacted]	Instant	[redacted]	[redacted]	Yly
Confederation Bank (J'rsy)	[redacted] Inv	[redacted]	[redacted]	£10,000	[redacted]	½Yly
				[redacted]	[redacted]	½Yly
Derbyshire (IOM) Ltd	[redacted]	0624 [redacted]	[redacted]	[redacted]	[redacted]	Yly
GUARANTEED INCOME BONDS (Net)						
Consolidated Life FN		081 940 8343	1 Year	£2,000	4.30%	Yly
Prosperity Life FN		0800 521546	2 Year	£25,000	4.79%	Yly
Financial Assurance FN		081 367 6000	3 Year	£50,000	5.20%	Yly
Financial Assurance FN		081 367 6000	4 Year	£50,000	5.85%	Yly
Eurolife FN		071 454 0105	5 Year	£3,000	6.00%	Yly
NATIONAL SAVINGS A/Cs & BONDS (Gross)						
	Investment A/C		1 Month	£20	5.25%G	Yly
(w.e.f 29/1/94)	Income Bonds		3 Month	£2,000	6.50%H	Mly
	Capital Bonds H		5 Year	£100	7.25%F	OM
	First Option Bond		12 Month	£1,000	6.00%I	Yly
NAT SAVINGS CERTIFICATES (Tax Free)						
	41st Issue		5 Year	£100	[redacted]	[redacted]
	7th Index Linked		5 Year	£100	[redacted] +Infln	[redacted]
	Childrens Bond F		5 Year	£25	7.35%F	OM

This table covers major banks and Building Societies only. All rates (except Guaranteed Income Bonds) are shown Gross. Fixed = Fixed Rate (All other rates are variable) OM = Interest paid on maturity. N= Net Rate. P= By Post only. A = Rate guaranteed to be 1.5% above base rate (min 7.5%) until 2.4.94 and then 1% until maturity. B = 10 days loss of interest on all withdrawals. Rate guaranteed to 28.2.94. G = 5.75 per cent on balances of £500 and over; 6.00 per cent on £25,000 plus. H = 6.75 per cent for balances of £25,000 and over. I = 6.40 per cent on balances of £20,000 and over. Source: MONEYFACTS, The Monthly Guide to Investment and Mortgage Rates, Laundry Loke, North Walsham, Norfolk; NR28 0BD.
Readers can obtain a complimentary copy by phoning 0692 500677.

Q&A

BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible.

CGT and land

My [redacted] and I [redacted] jointly [redacted] acres of land, purchased in 1985, which is [redacted] registered agricultural holding and on which I [redacted] kept livestock. The [redacted] records of [redacted] ran at [redacted] loss and [redacted] not [redacted] primary occupation.

The land has been allocated recently in [redacted] unitary development plan [redacted] residential development [redacted] I would wish to mitigate any liability [redacted] capital gains tax.

1. Would roll-over relief be [redacted] into other agricultural premises?

2. When does the land assume an enhanced value: [redacted] when allocated; (b) when the UDP is adopted formally? or (c) [redacted] planning permission [redacted] obtained formally?

I [redacted] the land will be adopted formally in around six [redacted] Would there [redacted] any benefit in any form of disposal [redacted] – perhaps to buy [redacted] pension [redacted] or [redacted] benefit our children?

■ 1. The [redacted] to be no, from the bare facts given. If the accountant who prepared your farming accounts cannot help you on the tax aspects, you could ask your solicitor (whose services you will [redacted] in any event, it [redacted] when a sale [redacted] in prospect).

[redacted] At every stage, there is [redacted] increase in hope value, generally speaking. Financial planning really needs a face-to-face discussion with your solicitor [redacted] another professional adviser. There is [redacted] useful comment that [redacted] can offer without knowing far more background [redacted] and figures than [redacted] supplied by post.

Mortgage relief

[redacted] tax [redacted] on mortgage [redacted] given under Miras, can [redacted] be [redacted] from income for the [redacted] establishing whether [redacted] higher rate tax is payable? I am, of course, aware that [redacted] from higher-rate tax [redacted] given on the mortgage interest.

■ No, your higher-rate liability [redacted] will [redacted] calculated as though you had [redacted]

[redacted] 369 of the Income and Corporation Taxes Act [redacted] as amended, says:

"(3A) In computing for the [redacted] of [redacted] liability the total income of a person [redacted] year of assessment, no deduction shall be allowed in respect [redacted] of relevant loan [redacted] applies.

"(3B) In [redacted] section, 'excess liability' means [redacted] excess of liability to income [redacted] what it would [redacted] if all income [redacted] chargeable [redacted] lower [redacted] by virtue of section 1(2)(aa) were charged at [redacted] rate, [redacted] applicable [redacted] accordance [redacted] 207A) [redacted] lower rate, [redacted] the exclusion of any higher rate.

Rewards of the door-to-door salesman

***Peter Marsh** meets Mike Shirley who gave up cabbage picking to sell double glazing. He earns £80,000 [redacted] year and loves his work*

A double-glazed look: Mike Shirley knocks on up to 40 doors [redacted] day, works 80 hours [redacted] week and once stayed up all night to clinch [redacted] £21,000 deal

I[redacted] is a [redacted] December morning and [redacted] Shirley [redacted] at work, knocking on people's doors. He is [redacted] a [redacted] solid house in Nottingham. Plenty of windows, paintwork wearing thin. Just the place [redacted] sell some double glazing.

Someone is in. Shirley is polite and to the point: [redacted] will be in the area again tomorrow [redacted] a [redacted] in his diary. Would the lady and her husband like [redacted] appointment [redacted] discuss having their [redacted] replaced?

Shirley [redacted] his routine. He [redacted] of Britain's [redacted] double-glazing salesmen, his main *tools are the leaflets under his arm,* the samples of [redacted] and plastic in the [redacted] of [redacted] Volvo, [redacted] indefatiga[redacted] nature and [redacted] in psychology.

As well as selling, Shirley [redacted] has to supervise 10 [redacted] representatives who also work his area of the [redacted] *Midlands. [redacted] people, Shirley* included, [redacted] self-employed and earn no basic salary. All their [redacted]ings are [redacted].

Shirley's [redacted] according [redacted] performance [redacted] that [redacted] him. This gives him [redacted] keep [redacted] motivated through [redacted] which [redacted] organises – including prizes for the "salesman [redacted] month" and [redacted] trips [redacted] spirit.

The strategy [redacted] work. Shirley earns up to £80,000 [redacted] year – not [redacted] for a 36-year-old former [redacted] gunner turned vegetable picker who moved into [redacted] glazing 10 [redacted] maintain this [redacted] earnings Shirley, who has [redacted] children aged [redacted] 18, [redacted] 80 hours a [redacted].

Shirley [redacted] men work for Everest, [redacted] biggest double glazing companies. This [redacted]plies [redacted] with promotional literature and basic training – and leaves them [redacted] with selling [redacted] windows, [redacted] and related products from their homes. The strategy [redacted] for the [redacted], cutting [redacted] such as offices, phone rentals and secretaries, and may also be good for consumers, who pay less for [redacted] products.

In Britain one in [redacted] people in work is self-employed, compared with one in 14 in 1979. Some argue that rewarding [redacted] solely [redacted] production [redacted] can be demeaning and cause individuals to work too hard. But Shirley has [redacted] complaints. He says self-employment [redacted] him [redacted] only job satisfaction but "total control" over what he earns.

[redacted] moved [redacted] after tiring [redacted] his back-breaking [redacted] picking cabbages. He [redacted] a phone box [redacted] respond [redacted] sales-men. *He* [redacted] *told to ring again* when he had [redacted] phone at home. "I went out and got one," says Shirley. "It [redacted] priorities."

[redacted] knocks on up to [redacted] a day, travelling an average of 140 miles in his "patch" which is centred on [redacted].

He [redacted] keen [redacted] of [redacted] "[redacted] to [redacted], you've got to sell yourself, make them feel comfortable," he [redacted]. "You've [redacted] to [redacted] 'read' [redacted], understand their body language. [redacted] day you learn something new."

[redacted], says Shirley, is a "numbers game". Over time – [redacted] a salesman is working at full potential – a set level of sales will follow a specific number of calls.

[redacted] average, says [redacted], [redacted] 13 [redacted] at, he arranges one appointment. Allowing for half of all appointments falling through, one in every 2.5 appointments leads to a sale – of average value about £2,500. Shirley is proud that his sales to appointments ratio is better than the Everest average of one to three. More *than two thirds of his business comes from knocking on doors or* following up other contacts, the rest mainly from people responding to company advertisements.

Shirley can be persistent. His biggest success came [redacted] year ago when he persuaded a well-heeled [redacted] to buy [redacted] glazing. To clinch the deal he *stayed up all night, talking to her and her daughter for 12 hours non*-stop and got home at 6.30am.

"Taking someone from being a definite no to a definite yes can be thrilling," he says. "You have to push yourself beyond your comfort levels. At the same time you have to think positively and not be put off by failure."

There are things he will not do. Asked about the "strong arm" sales tactics which have given the double glazing industry a bad name, Shirley gives a withering look. Everest's code of practice for[redacted] such [redacted]ods and they act against his interests. "I'm not going [redacted] anyone anything they don't [redacted]. We [redacted] us to their [redacted] they're [redacted] to [redacted] this if they are unhappy."

A big part of his job [redacted] linking up with the 10 people in his [redacted]. He [redacted] his training [redacted] a tank gunner helps him appreciate [redacted] work. Shirley [redacted] his *"reps"* [redacted] *day, normally for* lunch, [redacted] them all every Monday [redacted] hotel. "I recruit them, I'm [redacted] cry on, sometimes a marriage guidance counsellor," he says.

To "incentivise" his team, he digs into his own earnings for prizes such as £300 worth of Marks and Spencer vouchers for the person with most sales over a month. In 1993 he spent about £6,000 on promotional schemes and incentives.

All [redacted]. During 1993, in spite of the recession, [redacted]ley's team sold just over £1m worth [redacted] glazing, a new record for the Grantham area. His own share of the sales were about [redacted] quarter. This put Grantham in eighth spot [redacted] of 110 in [redacted] "league table" of UK sales regions.

The financial rewards have given [redacted] family [redacted] comfort[redacted] life-style: they live in a tastefully converted 18th century barn in the countryside with [redacted] of Lin[redacted] Cathedral. The house [redacted] double-glazed and acts as a showroom as well as an office. His wife, Kim, [redacted] the paperwork: sales figures have to be faxed to Everest's head office three times a week.

[redacted] admits work [redacted] become an obsession, not just for the material rewards but because of his need to compete and for the sense of recognition that doing well for his company gives him. "My home is my office, my home [redacted] Everest, [redacted] is me," he says. "I'm proud of [redacted] *I do. But I* [redacted] *influence* anyone to [redacted] as hard [redacted] me."

Computing/Jean [redacted]

Love affair with a mouse

I have learned to love [redacted] operating system must be one [redacted] the most success*ful marketing* [redacted] in the history [redacted] commerce. It [redacted] "environment" [redacted] loaded [redacted] memory after your computer has loaded DOS, its own perfectly good operating system.

In order to run *Windows* successfully, you will need a new computer with a fast processor and plenty [redacted] memory. If you don't have one, you might as well [redacted] a colour monitor so that you [redacted] enjoy the tartan wallpaper desktop design. You will certainly need a mouse to push around on your desk.

Thus equipped, you are ready to go out and buy *Windows* programs to do the work you are doing already.

Why? Because [redacted] fun, that's why. Pushing [redacted] mouse around, clicking [redacted] there, makes you feel powerful and [redacted]. You have [redacted] hand off the keyboard [redacted] mouse control [redacted]. You might as well [redacted] the other [redacted] as well and [redacted] into [redacted] really [redacted] time-wasting.

Windows was supplied with the computer I bought in 1992, as it [redacted] with almost all personal computers sold today. But I was slow in [redacted] to [redacted] with it for two reasons, both of them illustrative of a quality in me which my husband calls witlessness.

First of all, I tried to mo[redacted] around *Windows* from the keyboard, without unpacking and plugging in my [redacted]. It can be done, but it is slow and clumsy.

This is a factor to be [redacted]ered if you are buying a porta*ble computer: they* [redacted] come with [redacted] "tracking [redacted]" as a [redacted]. Some tracking [redacted] better than others.

I got my own mouse out at last when *Quicken for* [redacted] presented me with an iconbar *– a row of little pictures –* which could only be reached by the mouse.

Second, I *stuck* [redacted] version 3.0 [redacted] long.

Eventually my computer spat [redacted] a program I had [redacted] given [redacted] evaluate, with [redacted] the [redacted] that my [redacted] really [redacted] not up to scratch. I upgraded [redacted] *3.1* that week, and haven't [redacted] back [redacted].

The new version actually [redacted] a shorter manual than [redacted] it looks after a [redacted] the complicated things like memory management [redacted] needing help from the [redacted]. It [redacted] install. It replaced the [redacted] automatically, preserving all [redacted] programs and their arrangements. [redacted] longer are my [redacted] abruptly and inexplicably "terminated".

My favourite [redacted] program [redacted] *Organiser*, a computerised personal [redacted] with pages that [redacted] turn, coloured tabs to click on for the different sections, and a year planner that appears to fold out just like a paper one.

This program is seriously useful simply [redacted] it is so much fun: I keep coming back to it, and begin to find that *things really* [redacted] *getting* organised.

If you keep a to-do list in *Organiser* it is worth actually getting around to one or two of the items on it just for the joy of clicking in the "Completed" box and seeing [redacted] chore dispatched to the *end of* the list with a line through it.

You could, of course, keep a list of things to do on paper, and draw lines through them as required. But *Organiser* has some electronic tricks that are more difficult to duplicate.

Items can be linked to other items; tasks to do, for example, can be linked to telephone numbers in the address section, to diary entries or to notes, enabling you to fly from one to the other.

If you have a modem, *Organ*[redacted] will dial your telephone numbers [redacted] you. If you send and [redacted] mail, *Organiser* will go look in your letter box. If any of your to-do's involve another program, *Organiser* can be set to start up your word [redacted] or database for you.

For a complicated project such as a wedding or moving house, you could usefully have a separate *Organiser* devoted entirely [redacted] the subject.

The only thing wrong with this program is a laughably inadequate manual. Everything must [redacted] figured [redacted] from the help screens. Huge manuals can [redacted] daunting, but this silly little pamphlet goes much [redacted] in the other direction. *We deserve better from Lotus.*

The other *Windows* program I have come to love [redacted] is *Microsoft's Visual Basic.* When I was learning my computer craft, programming was just about the only thing you could do on a personal computer.

The IBM PC was yet to be invented, and even elementary word processing was still in the future as [redacted] a home [redacted]. Writing those little programs was [redacted] me an experience of mental exhilaration [redacted] compared with my [redacted] of Raph[redacted] portrait of Castiglione. [redacted] that [redacted]ment [redacted] within range [redacted] all.

While you're wandering around Windows, you might [redacted] look at [redacted] name [redacted] the familiar red-nine-goes-on-the-[redacted] patience. It [redacted] brilliant. From the option list, [redacted] "Vegas rules". [redacted] it [redacted] keep score. [redacted] yourself an [redacted] deck [redacted] from [redacted].

[redacted] will never [redacted] any work again.

■ *[redacted] of the programs men*[redacted] *from computer dealers and shops. It* [redacted] *looking around for the* [redacted] *prices.* [redacted] *3.1* [redacted] *Organ*[redacted] *for* [redacted] *plus VAT in* [redacted] *case.*

Continued from Page I

Fantasies

[redacted] *which is* [redacted] *in* western [redacted]. It is there in ancient mythology – epitomised in the [redacted] Helen [redacted] Troy, [redacted] face that launched [redacted] thousand ships; in [redacted] courtly poetry such as *The* [redacted] *of the* [redacted], and in [redacted] tales, [redacted] that [redacted] Sleeping Beauty, [redacted]ened by [redacted] kiss from an unknown prince.

Modern romantic novels [redacted] retell such tales, while in literary terms, [redacted] Mills and [redacted] formula [redacted] centuries. Samuel Richardson's [redacted] the story [redacted] an innocent ser[redacted] girl whose master wants [redacted] her but [redacted] up marrying her. [redacted] *Eyre*, [redacted] governess marries her boss, the overbearing [redacted] Rochester, and [redacted] *and Prejudice*, [redacted] impoverished Elizabeth Bennett [redacted] wealthy landowner [redacted] Darcy, are prototypes [redacted] *popular romantic* fiction. All [redacted] sexual [redacted] about older dominant men; all [redacted] heroes are tamed by [redacted] power [redacted] love.

But fairy tales and novels by Jane [redacted] Charlotte Bronte [redacted] an archetypal, literary, timeless quality which makes [redacted] return [redacted] them.

Popular romantic [redacted] by contrast, [redacted] in the same myths, but [redacted] not last. [redacted] are many reasons. Popular [redacted]tion dilutes and trivialises the [redacted] archetypes. It [redacted] primordial [redacted] a contemporary but too-topical veneer which soon seems dated. It excludes [redacted] and tragedy, essential [redacted] any myth and to any mature vision [redacted] life, in favour of sentimentality [redacted] cheap glamour.

The mythical [redacted] gives such fiction [redacted] power. Its roots in our deepest sexual fantasies [redacted] longings [redacted] its popularity. [redacted] Hennegan says [redacted] traditional romantic fiction: "It [redacted] much [redacted] explicitly [redacted] – no naughty [redacted] get named – than [redacted] or radical feminist literature, where the sky is the limit for explicit sex."

[redacted] this very reason Mills and [redacted] may [redacted]ual fantasies, because the erotic [redacted] are always within [redacted] love and marriage.

No [redacted] ever [redacted] Mills and [redacted] twice, or [redacted] *a single character* or situation. Here, paradoxically, lies the commercial success: unsatisfied, asking [redacted] more than fleeting interest, we return instead for more, new, different, contemporary titles – Mills and Boon publish almost 30 a month. And [redacted] market for escapist fiction will always hold: [redacted] Mills and [redacted] adver[redacted] from the 1940s, "There's always [redacted] new Mills and Boon", encapsulates both [redacted] strength and its weakness.

HOW TO SPEND IT / FASHION

Positive thinking to beat the blues

***Sarah Stacey** finds some pleasant ways to shake that after-Christmas feeling*

Relax: thalassotherapy and hydrotherapy centres may provide just the treatment you need to relieve stress and tension

Ken Brower

As the new year gets underway anyone without the willpower of a Trappist monk may [redacted] feeling a [redacted]h under par. The long days of feasting, combined with lack of sleep and exercise, [redacted] in what the French call *une crise de foie* – in other words, an [redacted] liver exacerbated by dehydration.

This sluggishness is also primarily responsible for the Jan[redacted] blues, according to Dr Susan Horsewood-Lee, [redacted] London general practitioner who is particularly interested in nutrition. The answer, she says, is a programme of detoxification, rehydration and relaxation.

If that conjures visions of pills, potions and deprivations, take heart. [redacted] course, you can go the whole way and opt for a lemon and water fast – under medical supervision only – [redacted] there are gentler and positively agreeable ways of tackling this lethargy.

First, let us suppose you want to [redacted] at home. Undoubtedly [redacted] best way to [redacted] day is with pure water, warm or cool, not ice-cold, [redacted] herbal [redacted]. Peppermint has been [redacted] to aid digestion since Roman times. Add a dribble of cold-pressed honey if you wish.

Next, try a brisk skin brushing [redacted] your circulation moving and speed the loss of toxins. Use a fairly stiff brush, (the Body Shop version at £4.95 is perfect) on dry skin, always working up legs and arms towards the heart.

Follow with a hot shower, perhaps using a herbal hair and body shampoo such as Aveda's aromatic Futurity Relax, oozing with camomile, comfrey and witch hazel. Finish with a cold, or cool, splash from head to toe. It is gasp-inducing at first, but makes you feel sparkling throughout the day.

The bottom line with detox eating and drinking is to do it gently. If you can manage one or two days without caffeine and alcohol, largely eating fruit and vegetables, you will feel great benefits. Although beware, [redacted] toxins from an overloaded system can temporarily induce headaches or other aches and pains, dizziness and a degree of lassitude. The best way to combat this is to drink as much cool, pure water as possible, two to five pints daily, submerge yourself in warm baths and rest.

Dr Horsewood-Lee also recommends taking a multivitamin and mineral supplement. [redacted] Japanese [redacted] Chlorella, emerald green algae which [redacted] and Japan's [redacted] selling supplement. It [redacted] in tab[redacted] or powder form and, like a wide [redacted] of other supplements, a positive library of [redacted] and [redacted] health foods, [redacted] by [redacted] Nutricentre, which also has a [redacted] mail order service. Contact the Nutricentre [redacted] 7 Park Crescent, London [redacted] 3HE. Tel: 071-436-5122.

[redacted] the good [redacted]. Mas[redacted] all kinds is [redacted] releasing toxins, used in [redacted] diet [redacted]tle exercise [redacted] as walking and swimming. [redacted]therapy [redacted], with essential [redacted] juniper, [redacted] grapefruit, [redacted] powerful [redacted]ifier, working [redacted] lymphatic system, boosting the vital [redacted] and helping [redacted] digestion.

From January 4, Aromather[redacted] Associates, the company which [redacted] *Prin*[redacted] of Wales, [redacted] offering [redacted] per cent discount on treat[redacted] in [redacted] middle of [redacted] day. Normal prices are [redacted] 1½ hour initial consultation, [redacted] for 1¼ hr follow-ups. It [redacted] supplies mail order [redacted] (65ml [redacted] £19.95, plus [redacted] p&p). Contact: Aromatherapy Associ[redacted] at 68 Maltings Place, Bagleys Lane, [redacted] 2BY. Tel: 071-371-9878. Alas, [redacted] only looks after [redacted].

[redacted] International Federation of Aromatherapists, (081-846-8066), provides [redacted] national list of practitioners, [redacted] may also [redacted] visits. [redacted] practitioners will only [redacted], although [redacted] based in health clubs and health hydros will usually [redacted] men [redacted] well.

If you like massage [redacted] water, try Thalgo hydrother[redacted]. Our jaded tester emerged from [redacted] session [redacted] Harrods' revamped Hair and Beauty Salon revitalised. She began to feel [redacted] when her body [redacted] a mallow and ivy scrub. Plunged into a large tub, laced with seaweed extract, our [redacted] a rapid improvement [redacted] high-pressure jets of [redacted] pummelled her from neck to sole for about half [redacted] hour. A deep body [redacted]sage topped it off and sent her tripping [redacted] Knightsbridge. Thalgo detoxifying hydrother[redacted] £40 [redacted] hour [redacted] does [redacted] seaweed body wrap. You might like to follow it [redacted] a facial treatment [redacted] scalp massage, such as [redacted] Clarins Paris Method lymphatic drainage facial, [redacted].

Harrods [redacted] Beauty Salon [redacted] offering [redacted] special deal [redacted] *FT* readers from now until January 31 – for [redacted] can have either [redacted] Thalgo Hydrotherapy [redacted] or a relaxing body massage plus a full face facial, [redacted] shoulder [redacted]. Just [redacted] you are an *FT* reader and the offer stands.

For [redacted] baroque treatment, you could try [redacted] Dead Sea Inchwrap. For [redacted] plus VAT, you can be [redacted] bright [redacted] gel, painted [redacted] Dead Sea Mud and swaddled [redacted] cling film from jaw [redacted] toe, [redacted] you look [redacted] a sci-fi [redacted]. As the name implies, you [redacted] lose some inches, but [redacted] minerals in [redacted] mud are also said to draw out toxins, as well [redacted] emulsifying fat, reducing cellulite, improving muscle [redacted] and generally revitalising [redacted] skin. Our tester [redacted] invigorated after [redacted] treatment. A few inches [redacted] indeed [redacted] her vital statistics and several pounds off her weight, [redacted] temporarily. For [redacted] therapists, contact [redacted]ers International on 0580-211-055.

For [redacted] whose willpower [redacted] flag, Grayshott [redacted] health [redacted] fitness retreat [redacted]cialises [redacted] individually designed [redacted] programmes. Diets are [redacted] on vegetables, [redacted] fruit, [redacted] protein. Light exercise, [redacted] as swimming [redacted] walking is [redacted] to speed [redacted] process.

Grayshott, [redacted] comes with [redacted] from doc[redacted] and those who have stayed there, also provides [redacted], hydrotherapy [redacted] spa body [redacted]. A single room for four nights [redacted], including [redacted] meals, [redacted] daily massage and [redacted] treatment, and one-to-one health [redacted] consultations. Grayshott Hall, Headley Road, Grayshott, Nr Hindhead, Surrey [redacted] 6JJ. Tel: 0428-604-331, fax: 0428-605-463.

Lady [redacted] Saumarez, owner of [redacted] Hall, [redacted] adamant [redacted] elegant Georgian house, set in magically beauti[redacted] Italian gardens, is [redacted] health [redacted] "not [redacted] with treatments". Three doctors are [redacted] day [redacted] night. The emphasis [redacted] on cleansing the system, [redacted] is a treatment, [redacted] is treated as a patient. On [redacted] first evening, workaholic TV producer Clive Syddall [redacted] his dinner diet of [redacted] juice, yoghurt [redacted] honey, [redacted] appalling prospect. Over [redacted] days, the [redacted] – and [redacted] myriad relaxing treat[redacted], which included a wide [redacted] of therapies plus amenities such as [redacted] lessons, so pleasant – that [redacted] voted it entirely worthwhile.

Ages [redacted] from eight [redacted], who outnumber guests, [redacted] sympathetic [redacted] standards [redacted] high. During [redacted] days of [redacted] relaxation, Syddall lost several pounds, and left feeling "much [redacted] and lighter ... it gives you [redacted] impetus to continue with a good [redacted] relax". Single [redacted] range from [redacted] per week. For [redacted] details, contact Shrub[redacted] Hall [redacted] Clinic, Coddenham, Ipswich, [redacted] 9QH. Tel: 0473-830-404, fax: [redacted].

[redacted] Europe, detoxifying [redacted] thalassotherapy [redacted] is regularly prescribed by doctors. French [redacted] become lyrical when describing the [redacted] of [redacted] week's stay [redacted] of Thalassotherapy [redacted] Le Touquet on the north-west [redacted] of France. Easily accessi[redacted] from Britain, [redacted] right on [redacted]. Treatment regimes are planned individually, alternating [redacted] days of therapy [redacted] periods [redacted] rest.

[redacted] Low Consultants, which specialises in [redacted] travel, [redacted] a package [redacted] Le Touquet [redacted] six nights [redacted] three to five treatments daily, starting from [redacted] for [redacted] twin room, £729 [redacted] single room. Flights [redacted] return. Contact Erna Low [redacted] Mews, London [redacted] 3HE. Tel: 071-584-2841.

Dr Horsewood-Lee [redacted]mends Helianthal, [redacted] wonderfully located [redacted] Jean [redacted] Luz, [redacted] south [redacted] France, [redacted] ideal for detoxing. It offers excellent cuisine under your personal nutritional adviser, [redacted] gym, and "a dream of [redacted] salt water swimming pool" with hydrotherapy. Tel: 010-33 [redacted] 51 51 51.

Finally, Chinese medicine [redacted] of your liver with how happy you are. A poorly functioning liver means that the vital chi, [redacted] is restricted, leading to depression, anxiety and [redacted] joy. For [redacted] list of qualified [redacted] practitioners, write to [redacted] Chi[redacted] Herbal [redacted] Register, PO [redacted], Wembley, Middlesex, HA9 9NZ, enclosing [redacted] large self addressed stamped envelope [redacted] £1.50 cheque or postal order.

Watch, wait, pounce

***Avril Groom** says clever shoppers know how to use the sales*

The most undignified [redacted] I [redacted] was [redacted] private [redacted] the [redacted] a top [redacted] designer. [redacted] usually [redacted] smiling [redacted] the champagne glasses were snatching [redacted] from [redacted] other's [redacted] and building [redacted] of possible bargains. Any garment [redacted] which they [redacted] the fray in [redacted] lingerie.

My initial [redacted] feel comforted that even well-known actresses [redacted] holey [redacted] and greying bra straps. [redacted] second, [redacted] disquieting [redacted] to wonder why women [redacted] in [redacted] way. But [redacted] was [redacted] the mid [redacted] was more [redacted] and [redacted] the tree. It hardly [redacted] what you bought, as [redacted] it had a good markdown on [redacted] price tag and the right designer [redacted] on the [redacted].

[redacted] days [redacted] media faithfully recorded the [redacted] people camped [redacted] Selfridges [redacted] Oxford [redacted] the crashing crock[redacted] in the crush [redacted] the [redacted] of Harrods' sale. [redacted] it [redacted] all much [redacted] jolly.

[redacted] media [redacted] Har[redacted] – but to film the latest celebrity brought in by the store's promotions department [redacted] keep [redacted] This week [redacted] American film [redacted], who generated [redacted] large [redacted] noisy crowd. But serious shoppers [redacted] dour bunch [redacted] bide their time [redacted] an end in view, rather than trip[redacted] out for fun and a few unpremeditated bargains.

[redacted] both [redacted] the [redacted] source [redacted] shopping for [redacted] half [redacted] high street [redacted] permanent sale [redacted] wait [redacted] buy unless you want something absolutely specific; the [redacted] are [redacted] where [redacted] find an acceptable equivalent already [redacted]. [redacted] keenly anticipated [redacted] just [redacted] Christ[redacted] and in [redacted] June have [redacted] irrelevant. Many sales [redacted] in mid-December [redacted] in on [redacted] trade.

[redacted] who [redacted] a specific item, [redacted] starting [redacted] remaining [redacted] have more sig[redacted] than [redacted]. Harrods [redacted] selling has [redacted] slow in [redacted], yet [redacted] have been remarkably successful. [redacted] first day of [redacted] January's was its [redacted] trading day.

The recession [redacted] intelli[redacted] shopper. The only justifi[redacted] for a sale [redacted] saving [redacted] spending it, by enabling [redacted] to buy much-coveted items [redacted] prices they [redacted] when the original price seemed unreasonable. The strong-minded watch, wait, case the joint [redacted] pounce. They discover in advance how [redacted] sale reduction will [redacted]. The even stronger-minded then [redacted] for [redacted] hoping for further [redacted] risking the [redacted] bargain.

[redacted] all nerve-racking [redacted] shopper [redacted]. [redacted] that people are [redacted] prepared, [redacted] necessity, to play [redacted] waiting [redacted] atmosphere [redacted] coolly competi[redacted].

[redacted] strength of [redacted] reckoning with yourself [redacted] what [redacted] buy. The [redacted] bargains are lasting, quality classics, in fashion terms an easier brief for men than women, although items such as [redacted] half-price Aquascutum cashmere coat, a Mulberry [redacted] or [redacted] Pringle cashmere [redacted] seem to fit [redacted] and all are in sales [redacted].

[redacted] approach is [redacted] the [redacted] top, very [redacted]sive designers – Chanel and Ralph Lauren (both start today) are fashion [redacted] sale [redacted] – [redacted] hope their [redacted] taste [redacted] elegance carry [redacted] through. But beware. Even here there are design [redacted] and they naturally [redacted] the biggest markdowns.

Buying fashion [redacted] a sale is trickier but [redacted] fun because [redacted] wardrobe full [redacted] serious investments would [redacted] a dull place. Go for quality and [redacted] you can visualise wearing in [redacted] future – [redacted] styled in [redacted] totally different way. [redacted] you have to be tough with yourself.

[redacted] instance, velvet [redacted] the fabric [redacted] the [redacted] – which is precisely why [redacted] will not be next winter. Yet, I can [redacted] justify buying Margaret [redacted] long [redacted] velvet [redacted] now on) [redacted] is [redacted] simple [redacted] beautiful it will be [redacted] classic. I can even justify Martin Margiela's [redacted]ing sheath of [redacted] metallic silver with deconstructed [redacted]edge [redacted] (from Browns, [redacted] today) [redacted] so startling that it is above [redacted] of fashion.

But much [redacted] I would love [redacted] own one [redacted] Westwood's corset [redacted] (sale [redacted] January) I must draw [redacted] line. [redacted] where 18th century ball [redacted] appropriate [redacted] my [redacted] although it would do incredible things for my figure, even [redacted] sale prices it is too much to pay to [redacted] out [redacted] mole-hills.

TRAVEL

Rewards of straying from the Silk Route

"I AM REGISTAN," the loudspeakers bellowed, as purple and [redacted] lights blinked [redacted] Samarkand's [redacted] great medieval madrasas. A handful of tourists gazed [redacted] them from a [redacted] plastic seating. The loudspeakers droned on about something [redacted] with Lenin's flag and Uzbek pride, but I doubt if anyone was listening.

The Registan is the most breathtaking architectural [redacted] on the Silk Route. No-one had recorded [redacted] new soundtrack for the *son [redacted] lumière*, but it didn't [redacted] matter. [redacted] Soviet pseudo-history can demean these monuments to the wealth [redacted] in 14th-century [redacted] by Tamerlane.

Timur-the-lame, self-styled heir [redacted] Genghis Khan, did not build them himself. [redacted] he [redacted] was force all Silk Route [redacted] through Samarkand by ransacking Urgench, [redacted] northern rival [redacted] the [redacted] sea. He also liked to display the heads of prisoners [redacted] stakes where [redacted] now stand.

His grandson, Ulug Bek, [redacted] the first of [redacted] in 1417 and [redacted] it in [redacted] of [redacted] and [redacted] mosaic. The [redacted] went [redacted] 200 [redacted] later are [redacted] as pieces of [redacted] art, [redacted] impressive. The portal of the Shir Dor madrasa resorts blasphemously [redacted] mosaic lions in order [redacted] impress, while deep within [redacted] Tilla Kari [redacted] several [redacted] of gold shimmer from [redacted] ceiling [redacted] the [redacted] Mosque, and you would have [redacted] dry [redacted] to ooh and aah [redacted] it.

Tour operators [redacted] queueing [redacted] you [redacted] former Soviet [redacted] Asia, [redacted] kand, second city of Uzbekistan, is [redacted] place they hope [redacted] have you drooling [redacted] It is certainly worth [redacted] visit. From [redacted] Registan you [redacted] walk past [redacted] tea-houses [redacted] the massive, brooding remains of Tamerlane's [redacted] Khanym mosque.

There [redacted] Emir, the [redacted] lord's mausoleum. Legend has it [redacted] "If I am [redacted] will tremble." Five-and-a-half centuries [redacted] a [redacted] scientist exhumed the body. It [redacted] night of June 22, 1941, and within minutes of the coffin being opened [redacted] assistant [redacted] the crypt with [redacted] news [redacted] Hitler had invaded [redacted]

There is much to shiver and [redacted] at in Samarkand, [redacted] it [redacted] a waste to come all this way and not do some exploring. What is new in central Asia is the [redacted] stray [redacted] from Intourist's [redacted] – from those branches of the [redacted] Silk [redacted] are [redacted] to those [redacted] changed in 1,000 [redacted]

[redacted] by looking [redacted] from the site [redacted] Ulug Bek's observatory. (Ulug Bek [redacted] astronomy to calculate the length [redacted] the [redacted] within a [redacted] seconds, nearly [redacted] centuries before Copernicus was born.) From here, on a [redacted] day, you can see the snows [redacted] the Zerafshan mountains marching into the [redacted] along [redacted] highway [redacted] haze.

[redacted] you are standing, the temperature [redacted] probably [redacted] to 40°C, and the traffic fumes catch in your [redacted] Up there, you imagine, there are perfect valleys full of wild [redacted] and pristine air. You have [redacted] and see.

I joined [redacted] up-market, guided trek to [redacted] Fan massif, the highest in the Zerafshan range. It [redacted] the sensible option [redacted] mountains are in Tajikistan, which was in the grip of civil [redacted] The [redacted] included an 86-year-old [redacted] he [redacted] be [redacted] altitude because he

Giles Whittell visits Samarkand and follows impossibly exotic branches of a road which has not changed for 1,000 years over some of its stretches

kept in shape on Sundays, [redacted] Dartmoor, with [redacted] Teignmouth branch [redacted] Ramblers' Association. There was [redacted] distinguished Foreign [redacted] KCMG [redacted] told me on our [redacted] evening together that [redacted] journalists.

[redacted] the Tajik border, very [redacted] fully, in [redacted] minibus. [redacted] ancient Sogdian city of Pendzhikent [redacted] transferred [redacted] a mountain-going truck which [redacted] down [redacted] entering the mountains. Bunny, [redacted] octogenarian, impressed everyone by getting [redacted] and walking.

As [redacted] gained height, [redacted] patches gave [redacted] juniper forest. The path narrowed and the gradient [redacted] and Bunny changed down [redacted] gear [redacted] two. Raw horizons of rock and ice closed in to the west and the south. The air grew cold and thin and space was found for Bunny on a donkey. (This [redacted] cushy trekking; [redacted] small herd of donkeys [redacted] everything [redacted] sunhats.)

That night, round [redacted] camp fire of 100-year-old juniper logs, the donkey [redacted] gave [redacted] spirited [redacted] of [redacted] mountain [redacted] KCMG and I replied with [redacted] and *Jerusalem*.

[redacted] following day [redacted] the [redacted] shed [redacted] Samarkand and [redacted] Bunny reached it leaning back on his donkey like a stunt-rider. It took four men to stop him falling off, but when he said the view was "more spectacular than Dartmoor" it seemed worth the trouble.

We camped at [redacted] place [redacted] used up all our superlatiaves. The [redacted] been clipped [redacted] a sward by mountain goats. The [redacted] were [redacted] by low rises dotted with boulders and cedar [redacted] The sun [redacted] a [redacted] of miniature lakes strung [redacted] below us, and not [redacted] the south [redacted] sheer [redacted] of snow and rock [redacted] up two vertical kilometres. [redacted] asked for more [redacted] but the donkey men had found some heroin poppies and [redacted] with them. They [redacted] still blotto in the morning.

[redacted] were [redacted] by our chief guide, Kolya, a quiet Russian alpinist [redacted] has raised walking [redacted] an art-form, [redacted] our path [redacted] genuine [redacted] of [redacted] Silk [redacted] the main [redacted] from Samarkand right up to the [redacted] Maybe. [redacted] is [redacted] that the [redacted] Route had variants, but it is also true [redacted] every road in [redacted] Asia [redacted] be [redacted] if you let the tour guide pause for breath.

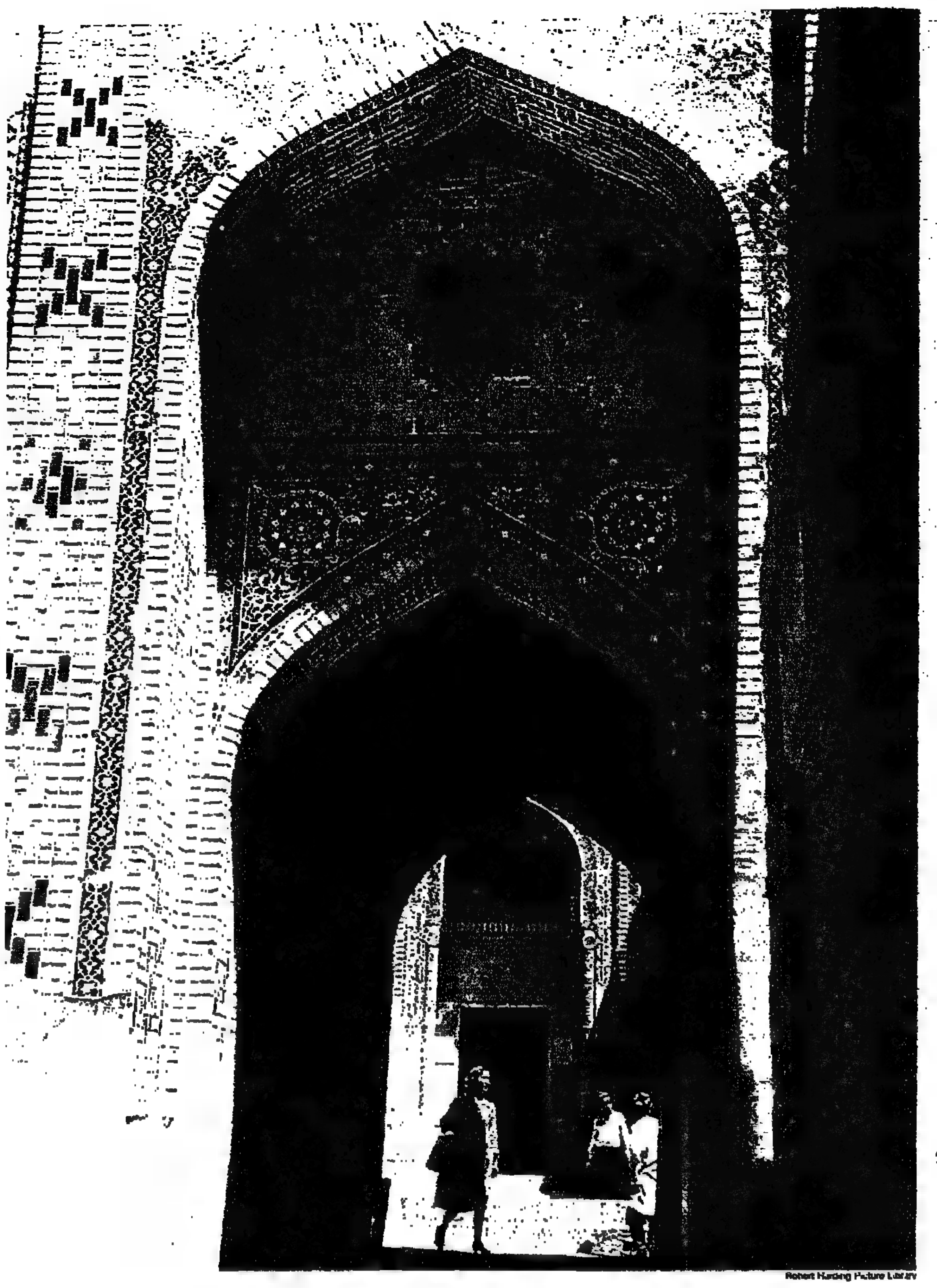
The origin of [redacted] impossibly exotic camel [redacted] well-documented. In [redacted] a Chinese general called Chang Ch'ien travelled [redacted] Fergana (east of [redacted] in present-day Uzbekistan) to buy [redacted] that were said to run so fast they sweated blood. The general [redacted] they [redacted] because of [redacted] parasite. But he [redacted] Fergana's [redacted] would [redacted] very handsome price for silk. His emperor, Wu-ti, thereupon [redacted] an export ban which had [redacted] in [redacted] since [redacted] Chinese [redacted] weaving silk around 2000 BC, and trading began.

Chang Ch'ien [redacted] the Tien Shan (the Heavenly Mountains) between Kash[redacted] what is [redacted] Kirghiz [redacted] Uzgen. Join [redacted] dots. *This* is [redacted] original Silk [redacted] You [redacted] follow [redacted] because 20th-century politics [redacted] there is [redacted] road. [redacted] you [redacted] the mountains [redacted] far north, along the arduous [redacted] through Kirghizstan [redacted] Torugart, from where Chi[redacted] jeeps leave for Kashgar.

An hour [redacted] before the Chinese border there is a turning [redacted] a place called Tash Rabat. [redacted] it. [redacted] on any account roar past in a cloud of dust as the Paris-Beijing rally [redacted] last year. At [redacted] end of [redacted] track, [redacted] in the mountains, Tash [redacted] is [redacted] grand old granite *caravanserai* [redacted] was sheltering Kashgari [redacted] since before Tamerlane [redacted] thought of.

You can [redacted] it and hike up [redacted] Asia's continental divide, or hunt ibex with [redacted] lonely caretaker. Whatever you do, it will evoke [redacted] real Silk [redacted] a Soviet [redacted] and light show.

■ *Giles Whittell trekked in the Fan moun[redacted] Steppes [redacted] Swindon,* [redacted] *6JU. Tel: 0285-810267. He is* [redacted] *of* Central [redacted] Handbook, *published by Cadogan Books (£10.99).*



Robert Harding Picture Library

There is much to shiver and marvel at in Samarkand where the hand of Genghis Khan is still apparent

Food drink, culture - and exercise

***Patti Waldmeir** puts both feet forward on [redacted] ramble through southern Tuscany*

There are many things to [redacted] *long-distance rambling*, especially abroad. The foreign footpath [redacted] inevitably – nay maliciously – badly waymarked, and [redacted] foreign farmer too [redacted] sadistic [redacted] with electric fencing and bulls.

Then [redacted] more mundane concerns: [redacted] your choice [redacted] picnic, it is always hot [redacted] by lunchtime; the rucksack [redacted] crushingly heavy, no [redacted] you [redacted] behind; worst, [redacted] is no way out once you've [redacted] Only [redacted] apply.

But even if your [redacted] do not run to masochism, there is still hope. Alternative Travel Group, an Oxford-based tour company, conducts foreign rambling holidays for [redacted] see walking [redacted] form [redacted] sightseeing.

I think it was at lunch on the [redacted] day [redacted] the ATG tour of [redacted] Tuscany – [redacted] maybe [redacted] dinner the first evening – that I realised what I was in for: 10 days of the best in food, drink, scenery, culture and exercise, [redacted] them dedicated to pleasure.

Towards [redacted] end, [redacted] ramblers are relieved [redacted] the need to carry [redacted] rucksack: luggage [redacted] transported [redacted] van, and awaits the tired walker in their room [redacted] day's end. That is not unique. [redacted] tour companies [redacted] luggage service. But ATG [redacted] solves [redacted] picnic problem – [redacted] thing other tour companies [redacted] ignore.

I never [redacted] sandwich or cold [redacted] roll. Instead, [redacted] had stylish, colourful [redacted] (one [redacted] my [redacted] endive, yellow pepper and peach), [redacted] pungent Pecorino [redacted] (without the unpleasant [redacted] generated by hours in a rucksack), homemade sausage or cured ham, [redacted] kinds of local [redacted] fresh fruit and wine.

On [redacted] one day we [redacted] heavy rain, we straggled in [redacted] lunchtime [redacted] find Kit – our versatile tour manager – sheltering in [redacted] barn, with [redacted] for [redacted] a big pot of soup [redacted] lots [redacted] red [redacted]

The dinners were [redacted] a trip on [redacted] own. As we limped [redacted] table each evening, expectancy soon overcame [redacted] each was [redacted] special [redacted] arranged with [redacted] restaurants by Kit, [redacted] show [redacted] specialities [redacted] so clearly [redacted] And [redacted] provided ample incen[redacted] for [redacted] vigorous long walk the next day. Although I scarcely turned [redacted] mouthful [redacted] food, [redacted] indulged my taste for local red wines, I walked [redacted] every ounce of [redacted] weight during the day.

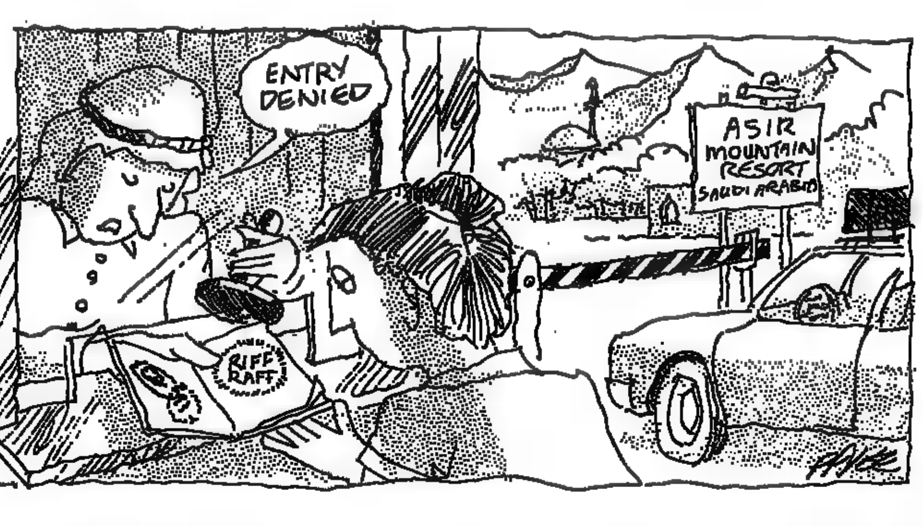
Unlike most [redacted] the guests, who had more [redacted] I walked every inch [redacted] the way from [redacted] walled village of Montepulciano to stunning medieval Siena, some [redacted] miles. [redacted] I am [redacted] I enjoyed [redacted] more [redacted] I knew I [redacted] opt [redacted] for ATG pro[redacted] the ultimate [redacted] masochism: a chance to [redacted] by the van, half way ... or [redacted] third [redacted] the way ... or [redacted] the last hill ... and [redacted] moral judgments [redacted] our enthusiastic, Italophile [redacted] leader, Frances.

To her goes [redacted] infallible path-finding and cultured commentary on the [redacted] hill [redacted] which bejewelled our path, and for stunning itineraries which took in – on one special day – [redacted] Romanesque church with naif sculptures [redacted] the church [redacted] a dip in [redacted] thermal baths [redacted] Vignoni; [redacted] at Ripa d'Orcia, [redacted] privately-owned castle on a [redacted] the [redacted] river – and a chance to take [redacted] van ride home [redacted] last steep hill.

However unreasonable the request, [redacted] and Kit were eager to [redacted] it. ATG tours are not cheap. [redacted] 10-day tour [redacted] southern Tuscany, without airfare, cost £1,270, [redacted] that [redacted] only after I protested [redacted] being charged [redacted] US [redacted] price quoted [redacted] overseas bookings: [redacted] for the hedonist who likes a [redacted] bit [redacted] exercise on [redacted] side, [redacted] price [redacted] it. Luxury rambling: for the traveller [redacted] has everything.

■ *Alternative Travel Group,* [redacted] *Banbury Road, Oxford* [redacted] *range of walking* [redacted] *Europe. Tel:* [redacted] *fax* [redacted]

An unspoilt getaway



Gordon Robison visits Asir, [redacted] Saudi tourist region devoid of tourists

Imagine a [redacted] region [redacted] heavily forested mountains and valleys; of villages [redacted] by tourism where much [redacted] traditional architecture [redacted] been preserved [redacted] in everyday [redacted] where camels and wild monkeys are common sights.

Imagine, too, that this remote region [redacted] served by an immaculately maintained [redacted] work of uncongested roads, highways and airports and that it [redacted] both food and [redacted] modation [redacted] any budget with [redacted] of hygiene and medical care that any European [redacted] envy.

There *is* such [redacted] place; the Asir mountains [redacted] Saudi Arabia. The problem is that Saudi restrictions mean [redacted] unless you work in Saudi Arabia, [redacted] have [redacted] there, [redacted] are [redacted] (or [redacted] Gulf state), you almost certainly cannot visit this region. Thus Asir may enjoy [redacted] being the world's best-developed [redacted] region [redacted] you (probably) [redacted] You will [redacted] to hope [redacted] things change.

For several years Saudia, [redacted] Arabia's [redacted] airline, has [redacted] promoting [redacted] as [redacted] tourist destination for the internal market. [redacted] of [redacted] region's main hotels offer [redacted] packages [redacted] tour operators [redacted] arranged [redacted] covering several [redacted] the region's [redacted]

The Asir [redacted] part [redacted] much longer [redacted] stretching north [redacted] Jordan [redacted] through Yemen. [redacted] they drop sharply away [redacted] To [redacted] they trail [redacted] into [redacted] hills and plateaus which eventually [redacted] appear into [redacted]

It is a region where the roads hug [redacted] tree-covered mountains [redacted] one [redacted] villages [redacted] culture [redacted] closer [redacted] Yemen than [redacted] the cosmopolitan port [redacted] Jeddah [redacted] Bedouin tradi[redacted] of Riyadh.

In winter Asir [redacted] the popular image of Arabia as a place of ferocious, never-ending summers. [redacted] mountains can [redacted] subject [redacted] heavy rains and [redacted] spend months [redacted] but highly [redacted] fogs.

[redacted] activity in [redacted] the provincial capital [redacted] Abha, which until 1922 was the capital [redacted] small independent kingdom. In that year Asir was conquered by Abdul [redacted] Ibn Abdel Rahman Al-Saud (usually [redacted] Ibn [redacted] in [redacted] west), the [redacted] Saudi Arabia. [redacted] later became [redacted] for [redacted] Asiz's attacks on [redacted] Hejaz, north of [redacted] where [redacted] and [redacted] are [redacted] Abha is a small, functional town with only one real point of interest.

This is [redacted] Palace; it was [redacted] in [redacted] served for [redacted] generations as the regional [redacted] government. Since [redacted] it [redacted] been [redacted] the public [redacted] a museum [redacted] culture. The palace is [redacted] three-storey mud [redacted] building with [redacted] sitting area [redacted] roof. Many such buildings can [redacted] seen along [redacted] any road through [redacted] countryside, although [redacted] the [redacted] palace [redacted] architectural anomaly.

[redacted] from [redacted] architecture, [redacted] Asir's main selling points is altitude. [redacted] just over 2,200 metres, [redacted] provides respite for [redacted] summer's sweltering [redacted] in Jeddah [redacted] Riyadh.

Another prime [redacted] is Asir [redacted] park, designed [redacted] the [redacted] by [redacted] from [redacted] park service. [redacted] protected [redacted] passed by [redacted] park [redacted] mous, taking in thousands of square kilometres of land in and around [redacted] Asir mountains and stretching [redacted] the Red Sea.

[redacted] park's facilities are well-laid out, although visiting them is not straight-forward. [redacted] visitor's centre, [redacted] displays [redacted] park's plants, animals, geography and culture [redacted] in a building adjacent [redacted] Abha's ring road. The building is in beautifully landscaped gardens where [redacted] blends easily with the surrounding mountains. [redacted] centre includes an observation [redacted] overlooking the valley just below. Wild monkeys [redacted] the region can [redacted] seen in [redacted] grounds.

But [redacted] you have [redacted] into [redacted] centre. It [redacted] open only on summer evenings and [redacted] is restricted [redacted] families. In Saudi [redacted] this means "couples" [redacted] "unaccompanied women," with or without chil[redacted] Males wanting [redacted] view the exhibits and lacking [redacted] and/or juvenile [redacted] must obtain [redacted] permit. In winter, [redacted] a permit.

A far easier way [redacted] approach [redacted] park [redacted] the tours [redacted] packages [redacted] by [redacted] Inter-Continental Hotel. Even if you are staying in the youth [redacted] (they [redacted] open only [redacted] men), a trip [redacted] lobby is [redacted] must.

Originally built as [redacted] palace for [redacted] Saudi Arabia's numerous princes, the hotel [redacted] the [redacted] park, near the summit [redacted] Sawdah, at 3,115m the highest point in the country.

Anomalously, [redacted] is [redacted] tour[redacted] region devoid of [redacted] result, [redacted] remains largely unknown to [redacted] world.

Practical Traveller / **Patricia Roberts**

Budapest: spa city

The Turks, abandoning Budapest [redacted] the Austrian Army in 1686, must have [redacted] with regret [redacted] they [redacted] leaving. Buda was [redacted] only [redacted] long-standing outpost [redacted] the Ottoman Empire but a place well-endowed with natural springs – [redacted] fountains that fed [redacted] network of Turkish [redacted]

Today, 500,000 [redacted] water percolate daily through [redacted] city's limestone-[redacted] soil, filling [redacted] open-air pools [redacted] making Budapest [redacted] the world's great [redacted] not [redacted] misled by the [redacted] "spa". A [redacted] is merely a mineral spring or hotel built around springs; luxury [redacted] not [redacted] requisite.

[redacted] is certainly true with Budapest. [redacted] other hand, [redacted] springs certainly [redacted] what it [redacted] calcium, magnesium, fluoride, sulfates, alkalies, [redacted] radium. This combination, known [redacted] inflammation as well [redacted] respiratory problems, [redacted] what [redacted] Budapest's water [redacted] prized.

Well-being is not [redacted] only [redacted] for [redacted] spa visit. The architecture, from 16th-century Turkish baths [redacted] turn-of-the-century [redacted] is as [redacted] ing [redacted] water is therapeutic.

Although there [redacted] than 30 spas, the number includes summer swimming pools [redacted] modern clinics. [redacted] thing, you [redacted] only to focus on a handful [redacted] locations.

My favourite is the Gellért [redacted] and medicinal baths, a *belle-epoque* monstrosity which seems [redacted] wedding cake on the Buda end of Liberty Bridge. The [redacted] from 1918 and [redacted] the city's only remaining "old world" resort-spa.

The hotel partly faces the [redacted] and, although billed as one [redacted] Budapest's [redacted] per [redacted] room, spa included), is in [redacted] of upgrading from [redacted] present no-frills, socialist-era decor. Hotel [redacted] reach the [redacted] by private elevator; the paying public [redacted] separately.

There [redacted] some strange [redacted] available, but stick [redacted] the Gellért's basics: thermal baths (men [redacted] women separately); outdoor [redacted] pool and indoor swimming pool. Avoid [redacted] manicure and pedicure and take a massage at your own risk (it is [redacted] slaps short of torture). To make your visit easier, [redacted] for tipping and learn [redacted] few words, like *fürdö* (bath), *gozfürdö* (thermal bath) [redacted] *kijárat* (exit).

Unwind [redacted] in [redacted] thermal baths. Both men's and [redacted] baths [redacted] elaborately deco[redacted] Leaving the baths, grab a new [redacted] take a cold plunge [redacted] change into [redacted] swimsuit [redacted] indoor pool.

This naturally carbonated, glass-roofed pool was added in [redacted] echoes the Roman [redacted] of Caracalla. I expected a sunny, lively room, but there was [redacted] much cloud cover that day. The detailing, however, [redacted] stunning: carved marble columns flank [redacted] pool and [redacted] a palm-tree-lined balcony. [redacted] Gellért [redacted] weekdays, 2pm Saturdays and 1pm Sundays. [redacted] indoor pool [redacted] at 7pm, except [redacted] (4pm).

The Szechenyi Baths in City Park is [redacted] of the grandest bathing houses in Europe, attracting [redacted] people a year. [redacted] thermal [redacted] elegant but even better are the [redacted] outdoor thermal pools (hottest 38°C). Here you will [redacted] Budapest's famous postcard vignette in living colour: bath[redacted] standing in the water, playing chess on cork boards.

The domes of Budapest's remaining 16th century Turkish baths are still scattered among [redacted] Baroque architecture of Buda's neighbourhoods. At the [redacted] Elizabeth [redacted] you cannot [redacted] the hemispherical cupola [redacted] Bath, known for [redacted] columns and radioactive water which clients drink to [redacted] circulation.

Continuing towards Margaret Island [redacted] will [redacted] transported back [redacted] Ottoman Empire by [redacted] four [redacted] topped domes [redacted] the Király Baths, built in [redacted] tory [redacted] hang on [redacted] vapors. It [redacted] not hard [redacted] picture Turkish pashas immersed in reverie [redacted] invading troops pummel the city walls, ending forever Budapest's entangle[redacted] with [redacted] Sultanate.

TRAVEL

Let the blossom times roll

Japan's flower parties intrigue Christopher McCooey

Flower viewing parties do not exactly sound like riotous assemblies [redacted] good-natured drunks, but in Japan that is invariably what they are. Each spring, when the pink blossoms explode in the branches of the cherry [redacted] Japanese gather underneath them to enjoy both the flowers and themselves.

Purists may talk aesthetically about the cherry blossoms being the essence of the Japanese spirit, the epitome of *bushido*, the spiritual code of the *samurai*. Indeed, the cherry blossoms' brief life of emphemeral beauty reflects purity and simplicity, which are considered traditional Japanese values. Just as the blossoms fall in their prime, so did the loyal *samurai*, who did not hesitate to give, or even take, his own life, even in his prime.

Today some people, from the emperor and the prime minister down, still hold parties to appreciate the form and colour of cherry blossom as a symbol of the Japanese spirit, but for the vast majority the cherry blossom parties are just an excuse for a good time.

For the average salaryman and office lady, the parties are a necessary pressure valve, a collective release of frustrations and inhibitions that are a product of Japan's tightly controlled, conformist economic and social systems.

Cherry blossom viewing parties were already established as annual events in the reign of Emperor Saga (809-823). This Imperial Court custom probably derived from the more ancient agricultural practice of taking food and sake into the fields during the religious festivals that marked the beginning of spring farm activity.

In the Heian period (794-1185) flower viewing held an important place in literature, [redacted] and the fine arts. Prior to this, Japan's culture had been heavily influenced by China, [redacted] flashier [redacted] and the stronger coloured plum blossoms were more often painted and alluded to in the arts.

But during the Heian period the cherry came [redacted] intimately identified with Japanese culture, so much so that the word *hana* (flower) became [redacted] for *sakura* (cherry). Not only was the flower appreciated but also the wood. It was used for building, carving and for wood block printing.

The tree of the genus *Prunus* and the family [redacted] native to Japan and grows wild all over the country. Many of the flowering cherries [redacted] grow [redacted] the [redacted] from Japanese stock.

There is a long tradition of outings by family and friends to view the blossoms in Tokyo. Thousands flock [redacted] popular places such [redacted] Park, Yasukuni Shrine and the Chidorigafuchi Moat with [redacted] backdrop of pine [redacted] atop the massive stone wall of the Imperial Palace.

For the most popular places, juniors are sent by their company seniors to stake out pitches under the trees for the after-work party. During the daytime, parties of retired folk, housewives and students make up the first shift.

From the time the first trees start to blossom in the southern island of Kyushu sometime in March, the cherry blossom front moves north and east. Radio and TV [redacted] broadcast daily reports of [redacted] front's progress and [redacted]nies, families and groups [redacted] friends plan their parties for the [redacted] days (usually only [redacted] or two) when the blossoms are at their stunning best.

Christopher McCooey

Cherry blossom time: peak season for amateur cameramen

Cherry blossom [redacted] photos are run by [redacted] man in [redacted] up [redacted] up [redacted] blossoms, [redacted] his balance, [redacted] broke [redacted] neck; [redacted] garbage [redacted] after [redacted] evening in [redacted]

Obnoxious drunks [redacted] handled with [redacted] or ignored. [redacted] are rare, although one reveller who [redacted] drunk [redacted] person to death in Nagoya's Tsurumai park [redacted] years ago. Generally [redacted] revellers regulate their own behaviour and [redacted] police keep [redacted] low profile. After the parties [redacted] vagrants find [redacted] pickings in [redacted] picnics that [redacted] neatly for col[redacted]

In [redacted] and April, parks, [redacted] public places [redacted] cherry [redacted] for well-dressed winos [redacted] the normally restrained Japanese noisily eat and drink, sing and dance under [redacted] pink [redacted] It [redacted] an amazing sight as [redacted] salary men – their shoes off but neatly arranged [redacted] the side (even on [redacted] debauch [redacted] Japa[redacted] orderly) – prance and parade in drunken abandon on [redacted] sheets of [redacted]

The *karaoke*, literally [redacted] lated [redacted] "empty orchestra", [redacted] out for each [redacted] microphone [redacted] tunelessly while his colleagues [redacted] him [redacted] greater ignominy. People are expected [redacted] of themselves. [redacted] company [redacted] will [redacted] sing a bawdy song.

"How long [redacted] you [redacted] Japan?" asks the delightful [redacted] who drags you [redacted] circle of [redacted]

"How about Japanese rice wine? You [redacted] enjoy in Japan." Indeed, [redacted] visitor [redacted] a strong liver could do no [redacted] the cherry blossom front as it unfolds across [redacted] country.

In [redacted] Gras atmosphere a new [redacted] to the Japanese [redacted] be seen – [redacted] flushed [redacted] warm [redacted] friendly. Totally uninhibited, [redacted] Japanese go daft every silly season – every [redacted] cherries [redacted]

A beautiful swamp

James Henderson enjoys the wildlife of Trinidad's Caroni mangrove

I [redacted] some persuasion to convince me [redacted] trip [redacted] swamp [redacted] be the highlight of my visit to Trinidad. [redacted] you do in 40 [redacted] mangrove and sumptuous black mud? But [redacted] a [redacted] who [redacted] subject, and I [redacted] reckon with the depth [redacted] mystery [redacted] the variety [redacted] Caroni swamp.

Trinidad [redacted] extraordinary variety [redacted] birdlife (more [redacted] species) in [redacted] 1,800 square miles of coastal swamps, plains and forested mountains. *"Iere,"* [redacted] old [redacted] for Trinidad, meant "Land [redacted] Hummingbird," [redacted] there [redacted] species [redacted]

Aerodynamically they [redacted] much chance of flying [redacted] helicopter. In their [redacted] keep airborne they [redacted] wings [redacted] 50 times a second. [redacted] metabolic [redacted] so high [redacted] they [redacted]stantly top up with nectar. At night, hummingbirds switch [redacted] and become stiff [redacted] board.

[redacted] migratory [redacted] tourists, thousands of birds [redacted] from [redacted] US [redacted] year [redacted] avoid [redacted] northern winter. Many other species have spilled [redacted] from South America, just [redacted] miles away. These [redacted] truly exotic, adorned with bright tropical colours [redacted] quirks of [redacted] only [redacted] possibly find attractive.

[redacted] designed for perfect flying, [redacted] built-in [redacted] spoilers; [redacted] lumbered [redacted] ridiculous encumbrances. The [redacted] jacana [redacted] silly-looking, overlong [redacted] embarrassing [redacted] splurge on [redacted] face. [redacted] just imagine having [redacted]

The [redacted] white bearded mannikin spends 90 per [redacted] of [redacted] waking hours displaying itself. It [redacted] backwards [redacted] forwards, all to entice female mannikins to [redacted] court. Deeper in [redacted] rain forest there is a bird that strikes up *chucka-chucka-chucka-chucka*, like [redacted] unsuccessful starter-motor, [redacted] another that [redacted] *boing, boing... boing*. Heaven knows what [redacted] violaceous trogon [redacted] back at the nest.

[redacted] the mournful, sceptical, quizzical-looking birds you [redacted] island, the most majestic [redacted] the scarlet ibis, and it was this I went to see in Caroni swamp. I travelled by mini-bus, [redacted] contrary Trinidadians prefer [redacted] call it, a [redacted] – [redacted] a mobile discotheque than [redacted] bus. The carnival rhythms pumped relentlessly on, but soon [redacted] bustle of Port of Spain receded and the overwhelming greens of [redacted] Trinidad countryside loomed around [redacted]

[redacted] swamp I met Winston Nanan, [redacted] stocky and quietly-spoken man. His knowledge [redacted] Trinidadian wildlife [redacted] encyclopaedic. He began by telling [redacted] of [redacted] and [redacted] fragile ecosystem, of [redacted] 168 species of bird that can be seen there and [redacted] being [redacted] protect them. Anecdotes, including hair-raising [redacted] disturbing armed poachers, [redacted] drawn from 30 [redacted] life.

[redacted] off into the man[redacted] accelerated the outboard for [redacted] then left [redacted] cruise [redacted] Suddenly, with [redacted] splash, [redacted] specta[redacted] cayman pushed [redacted] cruised [redacted] with lazy [redacted] of [redacted] tail.

A mangrove [redacted] can cover whole [redacted] tangle of brown roots, sprouting willy-nilly [redacted] mud, miniature flying but[redacted] run riot topped with bushy leaves.

As [redacted] crept [redacted] new spot, [redacted] a particular species, the [redacted] would take a [redacted] return, but [redacted] would [redacted] a cock of the head [redacted] guides held [redacted] attention.

The swamp started [redacted] alive. A white-necked heron stood perched on [redacted] foot in [redacted] stretch of open water, shoul[redacted] hunched and immobile, [redacted] it had been for [redacted] (except occasionally to change legs), waiting to strike for food. Skulking around the edge, [redacted] green-backed heron preferred to stalk, holding its body horizontal over the water.

A lonesome *boop-boop-boop* rang [redacted] – a clapper rail – and a second later a little character with a spiked haircut (called topknot) flitted past with a grating hiss: [redacted] yellow-bellied [redacted] fled shamelessly [redacted] the appearance of [redacted] tiger heron. Suddenly, the wattled jacana's rebellious [redacted] sense – they were perfect for keeping balance [redacted] lilies.

[redacted] evening drew in [redacted] made [redacted] way [redacted] the scarlet ibis sanctuary. Moments later [redacted] first pair breezed in, a flash of red [redacted] they flapped and landed. Scarlet [redacted] gregarious creatures, [redacted] as [redacted] return nightly, after feeding in Venezuela, [redacted] in the man[redacted]

The [redacted] impossibly red, [redacted] strongest scarlet, like [redacted] British postbox. The colour [redacted]tin, which they find in the little crustaceans in [redacted] swamp. They stand about 3ft high, with wings [redacted] when outstretched; their [redacted] bills curve [redacted]

For a while, [redacted] well as being Trinidad's national bird, [redacted] scarlet [redacted] something [redacted] a [redacted] dish, and in the [redacted] dangerously low (they [redacted] also hunted for their feathers). Away from their own environment, [redacted] in captivity, [redacted] a dull pink, a [redacted] reminder of [redacted] thing. Now [redacted] they have [redacted] protection in [redacted] sanctuary, they have returned [redacted] the swamp to [redacted] and have started [redacted] breed [redacted]

The mating [redacted] lasts from [redacted] April into June, when you will [redacted] pairs flying high, descending in [redacted] decreasing circles [redacted] they disappear [redacted] a [redacted] leaves. Nesting [redacted] until August.

[redacted] 50 [redacted] in [redacted] time, gliding [redacted] above us. Momentarily a [redacted] would [redacted] aflame as they stretched their wings [redacted] full, flapping and settling. In [redacted] golden evening light [redacted] mangroves, flecked white with the [redacted] egrets, took on a deep [redacted] glow.

But it [redacted] with the [redacted] The oysters [redacted] the [redacted] roots snapped shut for [redacted] and [redacted]

FURTHER TRAVEL ADVERTISEMENTS APPEAR ON PAGE XV OF THIS ISSUE

TRAVEL

Out-of-season Nice, a smart place to be

***Nicholas Woodsworth** strolls in the footsteps of the 19th century English aristocrats who made the French Riviera fashionable*

Friday: I have just read the day's European weather forecast. Paris lies [redacted] thick fog. There are gales off the Irish coast, [redacted] Hamburg and arctic fronts [redacted] Although occasional brighter spells [redacted] hinted at, it [redacted] raining in London.

[redacted] I be [redacted] the same continent? I [redacted] in Nice, where [redacted] balmier [redacted] July day in Blackpool and the sun is blazing in a deep blue sky. If well-heeled women [redacted] wearing furs, it is [redacted] this [redacted] the only [redacted] they [redacted] justify showing them off. Down by the [redacted] on the palm-tree-lined Promenade des Anglais, people more sensibly dressed are strolling in short sleeves.

The English [redacted] a winter [redacted] century [redacted] the right [redacted] In this [redacted] Riviera is [redacted] world away from the rest of drab, rain-sodden Europe. [redacted] Cote d'A[redacted] I find [redacted] crowded [redacted] be tolerable, but for an out-of-season [redacted] without [redacted] crowds, Nice [redacted] just the ticket.

[redacted] that from [redacted] not chilly or overcast. In the 19th century extraordinary [redacted] were taken [redacted] maintain the city's reputation [redacted] a winter watering-hole. On occasions [redacted] snowed. Night [redacted] were dispatched [redacted] the promenade. Tree boughs [redacted] shaken, shrubbery [redacted] off, [redacted] dumped [redacted] the sea. When visitors rose to take their morning constitutional, [redacted] snowflake was [redacted] seen.

But such weather [redacted] is rare, [redacted] courtyard garden of [redacted] La Perouse proves. The yellow [redacted] hang [redacted] my balcony [redacted] genuine, and [redacted] heavenly. Up [redacted] hillside, on [redacted] hotel sits, [redacted] pink [redacted] purple cyclamen, [redacted] plants covered in [redacted] white blooms, bay laurels, thyme [redacted] rosemary in flower.

From my balcony there are glorious [redacted] in [redacted] – [redacted] one, [redacted] warm [redacted] red roofs of [redacted] part of [redacted] city, in [redacted] other [redacted] sunny blue [redacted] disappearing southwards [redacted] horizon.

There [redacted] bright, light-filled pointillist painting by Henri Matisse, called *Luxe, [redacted] et Volupté*, of three bathers in isolated and happy repose by the sea. It is a title that always makes me think of winter-time Nice.

Saturday: It is the wonderfully clear and translucent Mediterranean light that [redacted] this city work. It is the light that brought [redacted] Dufy, Signac, Renoir and [redacted] score [redacted] other post-impressionist artists to paint here. It is the light that, in touching [redacted] most banal objects, gives [redacted] a lustre [redacted] life of their own.

How do I know? [redacted] pleasurable [redacted] they are, I do not need the works of the post-impressionists [redacted] tell me. I [redacted] been studying eggplants [redacted] Nice market. Weekends [redacted] Cours Salaya in the centre of old [redacted] rich [redacted] sensual in colour and texture [redacted] any tableau. The buildings on either [redacted] of [redacted] broad pedestrian Cours [redacted] Italianate [redacted] style, built last century when Nice was not French but [redacted] possession of the House of Savoy.

Their façades range in tone from [redacted] yellow to sun-faded [redacted] and [redacted] deep magenta. The [redacted] shutters [redacted] their windows – protection against fierce summers – are always a pleasant [redacted] greeny-grey, olive, [redacted] or turquoise. When, in summer [redacted] winter, the sunlight [redacted] buildings, they glow.

> *Nice has a reputation for jet-set decadence, mobsterism and corrupt politics – but retains some of the simple Mediterranean life*

The produce on [redacted] under the cotton awnings on [redacted] Cours [redacted] more colourful still. [redacted] eggplants [redacted] deeper purple, [redacted] redder, [redacted] greener than they are elsewhere. I love the [redacted] of [redacted] market. In front of [redacted] highly dignified [redacted] decorated Prefecture building [redacted] squawking [redacted] and clucking [redacted] for sale, heaps of potatoes and strings of garlic.

Another contrast: one woman standing by a pile of broccoli drips with jewels and [redacted] taut, parchment skin of [redacted] repeat visitor to [redacted] cosmetic [redacted] her, in all humility, [redacted] in [redacted] black, old-fashioned widow's weeds of the Mediterranean peasant.

Nice is [redacted] sophisticated city which, [redacted] other resorts along this coast, attracts large amounts of money. [redacted] reputation for jet-set decadence, mobsterism and corrupt politics. There are casinos, yacht clubs, high-society events, social and financial scandals galore. What is nice about Nice, and makes it quite unlike Cannes, [redacted] St Tropez, is that at the same time it retains [redacted] good deal of the older, simpler Mediterranean life [redacted] well.

After [redacted] bright, [redacted] Cours Salaya, walking through old Nice's streets and alleys is like plunging [redacted] deep subma[redacted] In [redacted] nooks and [redacted] there are [redacted] shops full of old-fashioned equipment [redacted] merchandise – wood[redacted] ancient coffee-roasting machines, jumbles of [redacted] and sailor's sweaters, walking sticks, bird cages. Five floors up through [redacted] gloom, above potted plants on balconies [redacted] lines festooned with drying laundry, is [redacted] thin, hard blue crack, [redacted] sky.

Lunch. I [redacted] trying [redacted] discover what a genuine *salade Niçoise* is. Today's – sampled in Acchiardo, [redacted] simple back-street restaurant better than [redacted] on the glitzy waterfront – [redacted] resemblance to yesterday's. The only two constants seem [redacted] anchovies and tiny [redacted] olives; after that it [redacted] free-for-all of tuna, string beans, [redacted] tomatoes, lettuce [redacted] – almost – anything else. There [redacted] cious [redacted] for desert. [redacted] fattening, but I shall stroll it off this afternoon in the corridors [redacted] Museum.

Sunday: Surveying the calm water [redacted] my balcony early [redacted] morning, I [redacted] surprised to [redacted] a dozen [redacted] septagenarian swimmers launch themselves from the pebbly beach straight [redacted] sea. They began [redacted] vigorous crawl that [redacted] have [redacted] Algiers for lunch, [redacted] I was [redacted] watch them, at what [redacted] a dangerous distance from the shore, finally turn round and head back.

I [redacted] no [redacted] for worry, according to [redacted] chambermaid who brought me *café-au-[redacted]* and buttery *croissants* for breakfast. Because of [redacted] climate, Nice is [redacted] of retired people leading year-round outdoor lives. They are healthier than I. I am [redacted] how good all that [redacted] is – their skin looks like tanned leather – [redacted] I determined to take [redacted] out of their book. I decided [redacted] lay off Sunday morning *socca*, [redacted] enrich myself spiritually instead.

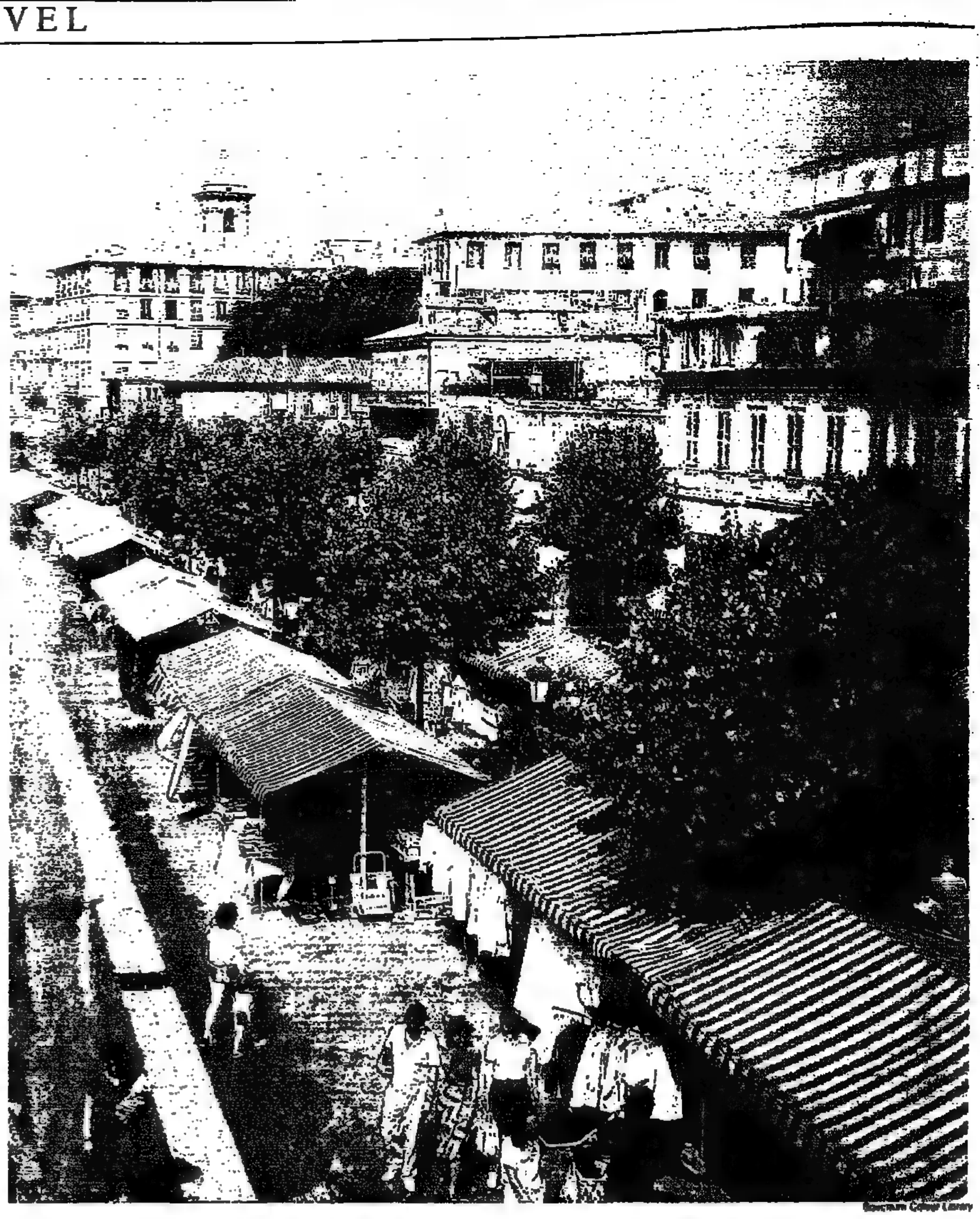
Socca [redacted] Nice speciality, [redacted] large [redacted] pancake made of chick-pea flower and olive oil; sprinkled with pepper, [redacted] an addictive snack. [redacted] best place [redacted] buy [redacted] is from Theresa [redacted] Sunday morning flower market in front of the Prefecture. With her jet-black hair, crimson lipstick, dangling gipsy earrings, tight red jumper and dark, flame-throwing eyes, Theresa [redacted] formidable [redacted] She [redacted] formidable [redacted] Half the men [redacted] line up to buy [redacted] at her stall.

But I wanted spiritual nourishment instead. I began by popping [redacted] one or two of Nice's sumptuous Baroque churches. There [redacted] nothing [redacted] about them; they [redacted] so full of [redacted] plasterwork, [redacted] gilt that northern sensi[redacted] might even find [redacted] gaudy. Nor is there anything dull [redacted] Chagall's *Biblical Message*. [redacted] 17-canvas *chef-d'oeuvre* of religious symbolism I [redacted] at [redacted] Chagall Museum. Whimsical images of levitating goats, flying violins and floating brides are just the thing for [redacted] Sunday morning.

But now, [redacted] noon, [redacted] resolve has weakened. I [redacted] a quick hop [redacted] to St Paul-de-Vence in [redacted] hills behind Nice would do me no harm. St Paul has [redacted] well-known restaurant, the Colombe d'Or, made [redacted] by Yves Montand and Simone Signoret. [redacted] Paul has become a summer-time tourist trap. None the less, it [redacted] of the loveliest medieval stone villages on this coast, and in winter well worth visiting.

I will not dawdle, though. After [redacted] I plan to [redacted] everyone's favourite Sunday afternoon walk, a long stroll down [redacted] Promenade des Anglais, beside the roller-skaters and joggers, [redacted] and mink coats, [redacted] palm trees and [redacted] Then, tomorrow, back [redacted] London. It is still raining there. But [redacted] is [redacted] chance of [redacted] sional bright spells.

■ *Nicholas [redacted] weekend [redacted] Nice [redacted] organised [redacted] specialists in city [redacted] longer holidays in France. [redacted] at: Normandy [redacted] Street, Cheltenham, [redacted] GL50 3HW. Tel: [redacted] fax [redacted]*



Nice market: the eggplants are [redacted] deeper purple, the tomatoes redder, the green peppers greener than they are elsewhere

Spectrum Colour Library

Just [redacted] few amps to get me ohm: An electric car driver plugs in [redacted] a car park power outlet to give the batteries a quick fix

Motoring/ **Stuart Marshall**

VW's pollution-beater

Can a diesel-engined car really cause less atmospheric pollution than [redacted] battery-electric vehicle? It seems unlikely, but according to Volkswagen, it is true, subject [redacted] couple of qualifications. The diesel [redacted] must [redacted] Ecomatic [redacted] the batteries have to [redacted] charged with current generated by burning [redacted] fuels.

If the power station's [redacted] fired with [redacted] particularly dirty fuel – like some kinds [redacted] low-grade coal – the Ecomatic will be [redacted] cleaner than [redacted] battery car. Only when it runs on a charge generated by nuclear [redacted] hydro-electricity [redacted] battery [redacted] the Ecomatic for environmental friendliness.

The [redacted] of [redacted] the [redacted] spectacular cleanliness? It works like [redacted] free-wheeling cyclist, using energy only when [redacted]

Fuel wastage and air pollution [redacted] reduced by [redacted] engine shutting [redacted] power [redacted] not needed [redacted] accelerate [redacted] maintain speed, [redacted] when the [redacted] standing still.

In [redacted] is a nor[redacted] Golf powered by a 1.9-litre die[redacted] engine with exhaust catalyser and [redacted] five-speed gearbox. It [redacted] only accelerator and brake pedals [redacted] clutch works automatically. When [redacted] driver lifts [redacted] the accelerator, the engine cuts out, restarting when [redacted] pedal [redacted] pressed.

When I tried an Ecomatic, I found it almost as relaxing as a [redacted] automatic. It was [redacted] drive than [redacted] normal clutch and much quieter because, even in moderately heavy traffic, [redacted] engine was off more than on. As a bonus, [redacted] light [redacted] on [redacted] economical time [redacted] change [redacted] a [redacted] The result of all this [redacted] an achievable urban cycle [redacted] sumption [redacted] 5l / 100km, which [redacted] close to [redacted] the Ecomatic almost a teetotaller [redacted] Indeed, Britain's [redacted] Warren Spring environmental laboratory called it [redacted] it had [redacted]

[redacted] this year. Sadly, [redacted] expected [redacted] more than [redacted] normal [redacted] 1.9-litre [redacted] sophisticated electronic controls and limited production runs [redacted] come cheaply. In addition [redacted] engine and clutch management electronics, [redacted] Ecomatic needs extra electrical kit [redacted] keep [redacted] power steering and brake [redacted] working when the engine [redacted] not running. Also, it must have an extra battery [redacted] cope with the [redacted] drain of continual re-starting and the [redacted] of headlamps and heated [redacted] window with a dead engine.

The [redacted] be driven long [redacted] motorway cruising speeds exactly like [redacted] mal [redacted] is, [redacted] VW [redacted] would be [redacted] car.

All [redacted] which brings me [redacted] battery-electric cars I [redacted] discussing [redacted] and, specifically, [redacted] large-scale feasability study being conducted by [redacted] French motor industry [redacted] national power generating company, EDF. Driving [redacted] Peugeot [redacted] battery [redacted] in La Rochelle, I [redacted] motoring's future [redacted] I think it really [redacted] work, given application of [redacted] legal [redacted] financial carrot.

[redacted] Group (Peugeot-Citroën) [redacted] provided [redacted] battery-electric [redacted] – [redacted] each of the [redacted] Citroën AXs – [redacted] developed [redacted] recharging infrastructure. Batteries which give a range [redacted] around [redacted] miles (80km) normally are recharged overnight at users' homes. During [redacted] day, they [redacted] perked up in a [redacted] hours at points in car parks operated by "smart" cards, [redacted] given [redacted] 15-minute [redacted] – good [redacted] another nine-12 [redacted] (15-20km) – [redacted] service stations.

The electric [redacted] being [redacted] (for around [redacted] month) by such people as doctors, government [redacted] businessmen, who will commute in them to their [redacted] in La [redacted] their [redacted] miles (40km) away. [redacted] *nickel-cadmium* battery pack, which [redacted] last for up [redacted] 10 years [redacted] will eventually [redacted] than [redacted] today's prices, [redacted] replace.

[redacted] electricity. A home charge, good for 50 miles (80km), [redacted] around £1.25; daytime top-ups [redacted] dearer. As [redacted] sweetener, La [redacted] city council [redacted] waiving parking charges [redacted] battery car users, although it will [redacted] let them use bus lanes or park with impunity [redacted] single yellow [redacted]

[redacted] will [redacted] battery-electric [redacted] It thinks [redacted] if [redacted] authori[redacted] increase [redacted] on city-centre drivers using [redacted] with petrol [redacted] engines, [redacted] European [redacted] duction of electric [redacted] by [redacted] units. [redacted] this, [redacted] might have [redacted] per cent share.

[redacted] one spoke [redacted] because [redacted] whole thing is [redacted] test marketing exercise. When a [redacted] number of battery [redacted] and AXs go [redacted] public sale later this year, they must – unless subsidised – cost more than petrol or [redacted] equivalents.

They go remarkably well, though. The [redacted] I drove was power-steered and, on a length [redacted] dual carriageway, I saw 90kph (56mph) on the speedometer. Tyre swish apart, [redacted] was virtually silent.

It rode like [redacted] heavily-laden [redacted] (remember [redacted] batteries) but was as easy to drive as [redacted] golfer's caddy [redacted] The [redacted] problem was avoiding pedestrians who [redacted] not hear it approach.

[redacted] a family's [redacted] or [redacted] car, a battery-electric [redacted] or [redacted] would have a lot going for it as a very short-range runabout. But, until [redacted] with internal combustion engines are [redacted] environmentally sensitive areas such [redacted] city centres, an [redacted] has [redacted] more sense.

You need only to fill its [redacted] with diesel [redacted] it non-stop for 500 miles (805km). [redacted] you could remind yourself [redacted] lived in France or Switzerland, which produce nearly [redacted] electricity by nuclear or [redacted] power, you [redacted] be driving an environmentally cleaner vehicle.

Skiing / **Arnie Wilson**

Where the rain clouds have a snowy lining

Could this really be north America's top ski resort? With thick clouds covering the Canadian mountains and rain beating on my window, [redacted] was difficult [redacted] imagine. A [redacted] die-[redacted] skiers [redacted] swimming about [redacted] the bottom of [redacted] Wizard Express, wearing see-through plastic coats emblazoned with the words "Blackcomb at Whistler" which skiers who [redacted] avoid being drenched can buy for C$2.

But if you think [redacted] resort which [redacted] rainwear might have a struggle to attract customers, you would be wrong. Much [redacted] fury of Vail, the "twin-peaks" of Whistler and Blackcomb, already Canada's top ski resort, have knocked [redacted] Colorado [redacted] perch as the top ski [redacted] tion in north America, according to one magazine survey.

Nevertheless, you do have [redacted] particular [redacted] skier to get [redacted] best out of Whistler when [redacted] ele[redacted] are conspiring against you. Whistler [redacted] of paradoxes: [redacted] 2,214ft the [redacted] village itself [redacted] lower than Kitzbühel, [redacted] lowest major resorts in Europe. Yet [redacted] skiing [redacted] 7,000ft on both Whistler and Blackcomb Mountains, [redacted] biggest vertical drop in north America.

Whistler is close [redacted] Canada's [redacted] and [redacted] often [redacted] whether precipitation falls as rain [redacted] the lower slopes.

From [redacted] warmth of [redacted] room at the elegant Chateau Whistler Resort [redacted] like a day [redacted] avoid skiing. And yet [redacted] day before, I [redacted] braved exactly [redacted] same conditions [redacted] enjoyed [redacted] of the best skiing in a winter already crowded with highlights. All [redacted] motivation.

Fair-weather [redacted] on outrageously good skiing [redacted] lot of fun. Optimists hope [redacted] is wet in the resort, it could be snowing higher up. They [redacted] correct. Every [redacted] I have heaved myself on [redacted] mountain in grim weather, I have enjoyed exceptional skiing . . . and returned with glowing cheeks and well-exercised lungs.

The snow [redacted] not always "champagne powder". Even Tyax Heliskiing, which claims in [redacted] brochure that "you will [redacted] rewarded with the ultimate prize: endless powder" admits elsewhere [redacted] literature that heliskiing [redacted] defined "not as powder skiing but rather as wilderness skiing in untracked snow".

During my day in the blizzard, [redacted] Hutton, my guide, [redacted] to [redacted] deep-snow technique: "You should absorb [redacted] bumps more. You [redacted] away with [redacted] in pow[redacted] crud because the deep [redacted] absorbs *you!*"

After retreating from [redacted] otherwise excellent skiing on Black[redacted] Horstman Glacier [redacted] visibility became tricky, we stayed in [redacted] and [redacted] lower terrain on both mountains. After a while we hardly [redacted] that [redacted] snowing heavily except [redacted] hour went by [redacted] snow became deeper [redacted] the skiing [redacted] exhilarating.

> *In Canada's top ski resort the chic accessory is a C$2 plastic raincoat*

[redacted] Whistler Mountain, Goat's Gulley, a [redacted] steep black run with ledges here [redacted] there which [redacted] it resemble a [redacted] snow-filled waterfalls, was particularly enjoyable in deep [redacted]

[redacted] only [redacted] felt miserable rather than [redacted] was riding the chairs. On Blackcomb's so-called [redacted] Coaster chair bone-chilling winds pierced our soaking ski [redacted]

A day or [redacted] later, [redacted] managed [redacted] into Whistler's famous and [redacted] bowl area, which [redacted] frequently [redacted] because of high winds [redacted] danger. There are six: Glacier Bowl, Sun Bowl, [redacted] Bowl, [redacted] Bowl, Harmony [redacted] and Burnt [redacted] Bowl, now re-christened Symphony [redacted] (the resort has [redacted] re-considering [redacted] number [redacted] names. [redacted] called Hooker, a logging term, now [redacted] all. An [redacted] Spankey's [redacted] also causing concern.)

[redacted] are all accessed by [redacted] People standing in line sometimes have a grand[redacted] view of the [redacted] hair-brained breed of [redacted] leaping [redacted] steep cliffs above. Ski poles are rattled like [redacted] wild baying, working up to fever pitch as the queue wills [redacted] skiers [redacted] leap, hoping [redacted] either triumph or tragedy.

There [redacted] particular excitement when two [redacted] inched their way towards [redacted] most spectacular plunge [redacted] all: off Jordan's. [redacted] involved a [redacted] leap on [redacted] such steep terrain [redacted] chances [redacted] stopping before being committed [redacted] a further leap of [redacted] over rocks were minimal. The [redacted] scarcely gouged [redacted] huge hole in [redacted] snow after his initial leap than [redacted] was hurtling [redacted] on the second jump. As he made [redacted] bomb-blast in [redacted] like [redacted] flattened Tom [redacted] Jerry cartoon victim, a huge roar burst from the lift-queue. Extracting himself from his snowy crater, the skier waved [redacted] poles in the air triumphantly to his [redacted] ence, who were slightly [redacted] when his companion managed [redacted] momentum [redacted] come-to a halt between his [redacted] jumps.

There [redacted] more drama [redacted] come: while I [redacted] getting my bearings [redacted] Burnt Stew Trail, an easy path which links the bowls and [redacted] intermediates [redacted] glide around [redacted] bowl area, [redacted] Australian immigrant, [redacted] Dize, skiing [redacted] steep, ungroomed part [redacted] Harvey's [redacted] the trail, triggered [redacted] small but potentially lethal avalanche and fell in [redacted] wake. He [redacted] swept [redacted] path and buried [redacted] yards [redacted] With two other skiers, I hurried [redacted] dig him out. Stunned by [redacted] blow to his head, he [redacted] have "drowned" if he had been alone.

■ *On January 1, Arnie [redacted] embarked on [redacted] FT Round the World [redacted] Expedition. Arnie [redacted] sending monthly expedition reports. This article was written before [redacted] set off*

■ *Arnie Wilson [redacted] Whistler with Crystal Holidays, Crystal House, [redacted] Courtyard, Arlington Rd, Surbiton, Surrey KT6 [redacted] Tel [redacted] 51-14 [redacted] Airlines, 2nd floor, Rothschild [redacted] Whitgift Centre, Croydon, Surrey, [redacted] 0345-616767. He stayed [redacted] the [redacted] Whistler [redacted] Helicopter skiing is available [redacted] Tyax Heliskiing [redacted] three-run package including lunch on [redacted] mountain costs C$350; plus weekly packages [redacted] include accommodation, meals, a guide and an avalanche [redacted] introductory week [redacted] C$3,000. A full seven-day package [redacted] 100,000 vertical feet of [redacted] approximately [redacted]*

RESTAURANTS

There *is* such a thing as a free lunch

Nicholas Lander on how to obtain 25 per cent off a meal out and win a free dinner

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The May Fair Cafe Berkeley Street, London W1A 2AN. *071-629-7777*
Martin's 48-50 Western St, London SE1. *071-378-8287*
Le Metro Wine Bar 28 Basil Street, Knightsbridge, London SW3 1AT. *071-589-6286*
Le Mistral 16a Short's Garden, London WC2 *071-379-6751*
Newtons 35 Abbeville Rd, London SW4. *081-673-0977*
Noah Brothers 773 Fulham Road, London SW6. *071-736-7311*
La Paquerette Finsbury Square, [redacted] EC2. [redacted]
Pasta Fino The Grosvenor House, Park Lane, London W1. *071-499-6363*
The Pavilion Finsbury Circus Gardens, London EC2. *071-628-8224*
Pavilion Grosvenor House, Park Lane, London W1. *071-495-2275*
The Red Fort 77 Dean St, London W1. *071-437-2115*
Red Of Knightsbridge 8 Egerton Garden Mews, London SW3. *071-584-7007*
[redacted] 23 [redacted] London W14. [redacted]
La Rive Gauche 61 The Cut, London SE18. [redacted]
Riva 169 Church Road, London SW13 *081-748-0434*
Cafe Rouge [redacted] Lancer Square, Kensington Church St, London W8. *071-938-4200*
Cafe Rouge Maida Vale 30 Clifton Rd, London W9. *071-286-2266*
Cafe Rouge 390 Kings Road, London SW3. *071-352-2226*
Cafe Rouge 855 Fulham Road, London SW6. *071-371-7600*
Cafe Rouge 31 Kensington Park Road, London W11. *071-221-4449*
Leadenhall Wine Bar 27 Leadenhall Market, London EC3. 071-623-1818
Rowley's 113 Jermyn St, London SW1. *071-930-2707*
San Frediano 62 Fulham Road, Chelsea SW3. *071- 584-8375*
Serafino's Restaurant 8 Mount St, London W1. *071-629-0544*
Shillibeers Carpenter's Mews, North Road, [redacted] N7. [redacted]
Snows On The Green 166 Shepherds Bush Road, London W6. *071-603-2142*
Soho Brasserie 23-25 Old Compton street, London W1. *071-439-3758*
Solange's Brasserie 11 St Martin's Court, London WC2. *071-240-5936*
Sol E Luna 22 Short's Gardens, London WC2. *071-379-3336*
La Spezia Ristorante & Bar 35-37 Railway Approach, London SE1. *071-248-1018*
Sri Siam [redacted] Old Compton St, London [redacted] *071-434-3544*
Stephen Bull Bistro 71 St John's St, London EC1. *071-490-1750*
Stephen Bull 5-7 Blandford St, London W1. *071-486-9696*
[redacted] **Tall House** 134 [redacted] SE1. *071-401-2929*
The Tank 57-58 Charterhouse St, London EC1. *071-251-4129*
Throgmorton Restaurants 27a Throgmorton Street, London EC2. *071-588-5165*
Tiddy Dols 55 Shepherd Market, London W1. *071-499-2357*
Trattoria Fiori 87-88 Mount St, London W1. *071-499-1447*
Veronica's [redacted] Hereford Rd, London W2 *071-229-5079*
Walton's 121 Walton St, London SW3. *071-584-0204*
Wheelers 4 South Moulton St, London W1. [redacted]
Wheelers Vendome 20 Dover St, London W1. [redacted]
Wheelers Sovereign 17 Hertford St, London W1. [redacted]
Wheelers 125 Chancery Lane, London WC2. *071-404-6071*
Wheelers Alcove 17 Kensington High St, London W8. *071-937-1443*
Wheelers City 19-21 Great Tower St, London EC3. *071-626-3685*
Wheelers Carafe 15 Lowndes St, London SW1. [redacted]
The Wigmore Restaurant 36 Wigmore St, London W1. *071-487-4874*
Willoughby's 26 Penton St, London N1. *071-833-1380*
Yien Restaurant 15 Muswell Hill, London N10. *081-444-6630*

OUTSIDE LONDON

Brasserie St. Pierre 57-63 Princess St, Manchester *061-228-0231*
Beetle and Wedge Hotel Dining Room [redacted] *0491-651381.*
Brown's Brasserie Frobershire House, Nelson Gate, Southampton. *0703-332615*
Combe Grove Manor Brassknocker Hill, Monkton Combe, Bath. *0225 834644*
The Falcon Castle Ashby, Northampton. *0604 696200*
Fischer's At Baslow Hall Calver Road, Baslow. *0246-583259*
The Gallery Restaurant Donnington Valley Ho And Golf Course, Old Oxford Rd, Donnington, Newbury, Berks. *0635-551199*
La Grand Bouffe 48a Castle St, Liverpool. *051-236-3375*
Hunter's 5 Jewry Street, Winchester SO23 8RZ. *0962-880006.*
Hunter's 32 Broad Street, Alresford SO24 9AQ. *0962-732468.*
The Inn At Whitewell Whitewell, Forest Of Bowland, Clitheroe. *0200-448222*
Markwicks 43 Corn St, Bristol. *0272 262658*
Le Marche Noir 15 Lennox St, Edinburgh *031-332-1052*
Les Partisans 144 High St, Edinburgh *031-225-5144*
Martin's Restaurant 70 Rose St, North Lane, Edinburgh. 031-225-3106
Moon & Sixpence 6a Broad St, Bath. *0225 460962*
New Moon 6a Broad St, Bath. 0225 460962
Oakes Restaurant 169 Slad Road, Stroud, Glocs. *0453-759950*
St Olaves Court Ho Mary Arches St, Exeter. [redacted]
Sloan's Restaurant 27-29 Chad Square, Edgbaston, Birmingham, B15 3TQ. *021-455-3397.*
The Vintners Rooms 87 Giles St, Leith, Edinburgh, 031-554-6767
Wheelers Woodstock The King's Arms Ho, Woodstock, Oxon. *0993-811592*
Wheeler's Brighton 17 Market St, Brighton. *0273-25135*

More than 2,500 restaurants in the UK and the US are taking part in the 1994 Financial Times restaurant promotion. *FT* readers will [redacted] entitled to [redacted] per [redacted] saving [redacted] and drinks [redacted] lunch and [redacted] for [redacted] full six [redacted] All [redacted] part [redacted] January [redacted] February 11 will be [redacted] in [redacted] (or [redacted] to [redacted]

This [redacted] January's [redacted] ful [redacted] promotion, Lunch for [redacted] Fiver, [redacted] value in [redacted] UK.

This [redacted] international [redacted] will [redacted] lon[redacted]

The [redacted] to the [redacted] *Financial Times*/Transmedia [redacted] charge card. You can apply for it, free of charge, by writing to [redacted] address [redacted] application [redacted] of this page. After that, all you require [redacted] Access, [redacted] Delta charge card and [redacted] stamp.

[redacted] have sent this information [redacted] you will receive a [redacted] *FT*/[redacted] restaurant charge card which you can use in any restaurant [redacted] accepts the Transmedia card [redacted] you would any [redacted] credit card. You will also receive the Transmedia directory of 2,400 US restau[redacted] which accept [redacted] plus a listing of the British restaurants. As the number of [redacted] which accepts [redacted] growing quickly we [redacted] providing updates of [redacted] participating [redacted] on [redacted] page of the *Weekend FT*.

> *High 1980s prices have disappeared and we all want value for money*

[redacted] are [redacted] for [redacted] *FT* [redacted]

The most obvious is the 25 per cent saving on [redacted] beverages (excluding service and vat) to which the card [redacted] you. This saving applies to all [redacted] restaurants taking part [redacted] they [redacted] for business.

[redacted] more. The attraction of this particular [redacted] and [redacted] of the participating restau[redacted] If you live in London you may well be able to use it daily – for [redacted] entertaining or meals [redacted] family. If [redacted] live outside London, and [redacted] is currently [redacted] restaurant nearby, you can still apply for the card and use it [redacted] travelling.

[redacted] applies to *FT* [redacted] living [redacted] You can apply [redacted] *FT*/Transmedia card and [redacted] it when business [redacted] pleasure brings you to London, Edinburgh, [redacted] Bristol. Or to the US when a business or holiday trip [redacted] you [redacted] York, Washington, Chicago, [redacted] Francisco [redacted] Los Angeles. Transmedia is [redacted] planning to [redacted] a [redacted] office later this year.

How [redacted] it [redacted]

[redacted] readers [redacted] such an extraordinary [redacted] would [redacted] no further explanation but *FT* readers will doubtless [redacted] curious [redacted] mechanics.

[redacted] advances unsecured [redacted] to a [redacted] which it [redacted] to [redacted] cardmembers. The advance is repaid on a 2 for 1 [redacted] via the [redacted] beverage cred[redacted] which Transmedia card [redacted] restaurants. To [redacted] its members to [redacted] frequently Transmedia passes on [redacted] 25 per cent saving [redacted] beverage back [redacted] card member via [redacted] or [redacted] Access, [redacted] or [redacted] card.

Since it was established [redacted] 1984 Transmedia estimates that it has advanced [redacted] than $130m to [redacted] American restaurant industry and, during [redacted] same period, [redacted] total savings of around $28m for its card members.

[redacted] makes Transmedia attractive [redacted] so many restaurateurs is that it has [redacted] niche in [redacted] market, filled it and then adapted itself to keep its [redacted] busy.

A restaurateur can put the [redacted] cured cash to whatever use he or she chooses. [redacted] never under[redacted] restaurant industry, [redacted] times with good [redacted] often because restaurateurs offer little [redacted] the way of security. A lease is normally [redacted] restaurant's [redacted] asset and, frequently, [redacted] of [redacted] preclude [redacted] change of use if the restau[redacted] fails.

[redacted] of [redacted] restaurants [redacted] join Transmedia [redacted] working [redacted] such large margins [redacted] they can [redacted] reduce [redacted] prices [redacted] ever. [redacted] a [redacted] commercial need [redacted] can see [redacted] positive use for an interest-[redacted] advance: [redacted] bank overdraft or directors' loans or to redeco[redacted] or re-equip [redacted] improve service. The managing director of one highly popular wine [redacted] joined because, [redacted] 14 years of packed houses, she [redacted] building needs a [redacted] of [redacted] and [redacted] can provide [redacted] necessary capital.

Transmedia takes [redacted] of advancing cash to [redacted] restaurant industry [redacted] minimises this [redacted] by marketing [redacted] promoting the restaurants. During the late 1980s many US restaurants joined Transmedia as the [redacted] sion [redacted] demand [redacted] high interest rates made bank borrowing to finance promotion or publicity unthinkable. But, as [redacted] improves, there has been no slacking [redacted] call for [redacted] services.

The reason [redacted] this is something that is now being [redacted] applied by British restaurateurs. The high prices of the 1980s have disappeared and we are all demanding value [redacted] money whether it is business or social entertaining.

[redacted] means lower prices. To compensate for this, [redacted] rising overheads, [redacted] are opening longer [redacted] later. The [redacted] costly [redacted] today [redacted] not an [redacted] waitress [redacted] an empty table.

One restaurateur, who plans [redacted] a large [redacted] later [redacted] in London's West End, [redacted] break even [redacted] will [redacted] to be at least £2.5m – and that is before [redacted] builders have left [redacted]

A number of [redacted] have successfully [redacted] keep their restaurants busy enough [redacted] make them profitable and [redacted] Guinan, Transmedia's European chairman, is [redacted] that Transmedia may [redacted] for every restaurateur.

But for those keen to increase volume and turnover – and the British restaurateurs who have already joined Transmedia will soon have the benefit of increased business [redacted] visiting [redacted] cardmembers – [redacted] may provide an effective solution.

As Seth Lewis, food [redacted] beverage manager [redacted] Grosvenor House, [redacted] Park Lane, central London explained: "Business is considerably [redacted] it was [redacted] year ago but it is still only good [redacted] weeks a year.

"My job now is to make it good 52 weeks a year." Two [redacted] hotel's restaurants now accept the Transmedia card.

How do you take advantage of [redacted] FT/Transmedia card?

The key [redacted] where you [redacted] use your [redacted] the secret behind Transmedia's success [redacted] marketing [redacted] promoting its [redacted] lies in [redacted] compact Transmedia Directory of [redacted] which [redacted] mailed to [redacted] its [redacted] members every [redacted] weeks.

If you wish to keep the card after six [redacted] you will [redacted] charged [redacted] annual card fee of £35. This fee will be [redacted] if you wish [redacted] cancel your membership of the scheme during the [redacted] year.

1,000 [redacted] meals draw.

To enter the 1,000 free meals draw use [redacted] *FT*/Transmedia Restaurant card at any of the participating restaurants [redacted] UK from Monday January 24 to Friday February 11. You will [redacted] automatically entered in the draw (there [redacted] no alternatives to the prizes offered). The [redacted] you use your card the better your chance [redacted] winning!

To encourage readers who enjoy commenting [redacted] restaurants [redacted] *FT* will be offering 200 Winesavers, for storing wine leftovers, to readers who send the bestaccounts of their meal. [redacted] also send a case of pink Champagne [redacted] the outright winner. [redacted] your stories [redacted] *FT*. Rate restaurants from A-C (A= excellent, C= poor) for 1)Service, 2) Food quality, 3)Value for money 4)Atmosphere.

Promoters [redacted] Financial Times, Number One, Southwark Bridge, Lon[redacted] SE1 [redacted] and Transmedia, 11 [redacted] James's Square London SW1Y 4AD.

FINANCIAL TIMES/TRANSMEDIA RESTAURANT PROMOTION TERMS AND CONDITIONS

The *FT*/Transmedia Restaurant Promotion [redacted] to apply for an *FT*/Transmedia Restaurant Card [redacted] for [redacted] months. [redacted] membership [redacted] £35 and [redacted] billed [redacted] your [redacted] card [redacted] the fee-waived period.

Card holders may cancel membership at [redacted] for a full refund on return [redacted] *FT*/Transmedia [redacted] Card. To participate [redacted] promotion, [redacted] a Visa, Mastercard, or Delta credit card.

The *FT*/Transmedia Restaurant Card entitles holders to a 25 per cent [redacted] on [redacted] beverage portion [redacted] (not including VAT, service [redacted] tip) [redacted] participating restaurants.

Reservations for parties of seven [redacted] more must [redacted] booked through the Transmedia office.

Reservations are subject to space available. The telephone number for reservations is 071-930-0700.

To use your *FT*/Transmedia Restaurant Card select a participating [redacted] from [redacted] list published in [redacted] *FT*.

Present your card at the end of the [redacted] you would any other major [redacted] card, sign the Transmedia slip for [redacted] full amount and keep your copy. Transmedia, not [redacted] restaurant, gives the 25 per cent saving [redacted] therefore [redacted] not [redacted] but will appear on your Visa, Mastercard or [redacted]

Transmedia will charge your Visa, Mastercard or Delta account for the full amount of [redacted] Transmedia charge slip and will process [redacted] corresponding transaction crediting your account for [redacted] 25 per [redacted] on [redacted] beverage portion [redacted] the slip.

Continue to check [redacted] published [redacted] of [redacted] as [redacted] or deleted. [redacted] directories [redacted] updating participating restaurants after the initial promotion [redacted] ended.

Only the application form printed in [redacted] *FT* is valid. Photocopies or [redacted] other reproductions will not [redacted] accepted. Closing [redacted] for receipt [redacted] applications for the [redacted] promotion [redacted] Friday, January 21 1994. Applications [redacted] *FT*/Transmedia Restaurant offer, PO Box 85, Watford, WD2 4WQ.

Cards [redacted] expected [redacted] within 7 days of application receipt. Transmedia will continue [redacted] accept card applications after the initial closing date, but [redacted] guarantee delivery in time for the launch promotion.

Following the [redacted] the *FT*/Transmedia [redacted] Promotion, a computer-generated random [redacted] 1000 Transmedia restaurant charge slips generated over the promotion period of Monday January 24 [redacted] Friday February 11 1994.

Charge slips [redacted] winner to receive a £50 Transmedia credit [redacted] Transmedia restaurant while continuing [redacted] enjoy [redacted] per [redacted] their [redacted] card. The selection will [redacted] place on Tuesday, [redacted] 1 1994. [redacted] will be notified as [redacted] as possible [redacted] Monday [redacted] 7.

The *Financial Times* and Transmedia cannot be responsible for lost or stolen cards, although Transmedia will [redacted] every effort [redacted] recover [redacted] cards. Transmedia will provide restaurants [redacted] an updated list of invalid cards. The card holder should inform Transmedia as soon [redacted] possible to expedite this procedure.

APPLICATION FORM FT/TRANSMEDIA OFFER

[redacted] compete the [redacted] in BLOCK CAPITALS and send [redacted] FT/Transmedia, PO [redacted] Watford, WD2 4WQ

Title..............First Name..............................

Surname..............................Initials..........

Job Title..............................

Department..............................

Company..............................

Billing Address..............................

....

....

....

Post code......................Phone No......................

Name of additional authorised user

....

Which newspaper [redacted] you most regularly read?

Weekday.................. Saturday..................

Applications must be received by January 21,1994
Cards will be sent within [redacted] working days
Visa/Mastercard/Delta Account Number

Card expiry [redacted]

I hearby authorise Transmedia UK plc. or the assignee, [redacted] debit the above listed [redacted] directly for [redacted] charges incurred by me or an authorised user and for my annual membership fee (£35), should I choose to remain after the initial fee-waived period of six months. I understand all restaurant charges (other than service, tip and VAT) incurred by me, or an authorised user will be offset by [redacted] 25 per cent credit when being debited to my credit card account. I recognise the Transmedia Card is the property of the issuer and will be returned by me on request.

Signature..............................
(No application will [redacted] accepted without a signature)

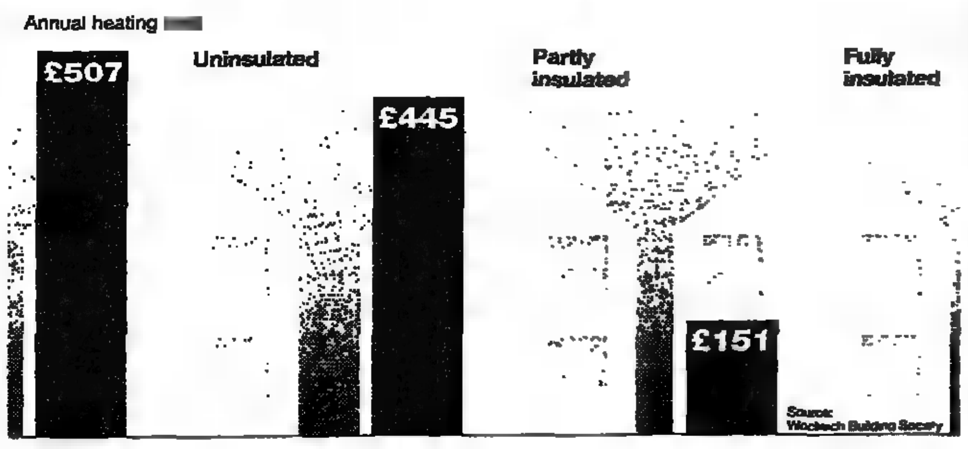
The information you provide will be held by the Financial Times/Transmedia and may be used to keep you informed of FT products and by other selected companies for mailing list purposes. The FT is registered under the Data Protection Act 1984. Financial Times, Number One Southwark Bridge, London SE1 9HL. Please tick this box if you do not wish to receive any further information from the FT Group or companies approved by the FT Group ☐

PROPERTY

VAT may fuel a move to greener homes

***Gerald Cadogan** on how to improve the energy-efficiency of your house – and save money on heating bills*

How insulation can reduce your heating bill



An Admiral Homes house: smoke alarms, secure cupboards and four bins for household waste

The Vatman cometh in April to claw [illegible] per cent on domestic energy bills from every house and flat in the country. *A year later he will* [illegible] 17.5 per cent. They are painful charges. But despair not. You [illegible] impact.

In the short-term, fill [illegible] oil tank (if that is the fuel you use) in March and pre-pay [illegible] much as you [illegible] for gas, [illegible] electricity.

Over [illegible] long term [illegible] prepared [illegible] be strict. [illegible] down and work [illegible] your annual costs. Then think hard how [illegible] make a [illegible] energy-efficient home. How [illegible] it create [illegible] carbon dioxide, [illegible] chief agent of the greenhouse effect, and [illegible] you pounds? All three fuels [illegible] the environment. If you think electricity must be cleaner, remember [illegible] it [illegible] the power stations.

Pre-payment gives temporary relief to the household purse, but does nothing for the environment. As cash flow, [illegible] will delight suppliers but [illegible] Kenneth Clarke, [illegible] chancellor, *since* [illegible] *tax take.*

Pay before VAT on fuel [illegible] into force and [illegible] will not be liable for the [illegible] until your credit with your supplier runs out. You forfeit [illegible] of the [illegible] but, with interest rates [illegible] well below [illegible] cent it has to be [illegible] bargain. And you have [illegible] comfort of knowing the bills are paid.

How much can you manage? A year's worth, or two or three? [illegible] you pay a monthly average through the year, it may [illegible] more complicated. But it *should still* [illegible] *possible to pre-pay between* [illegible] *and* March.

Then check [illegible] how to cut your heating bills permanently. The first [illegible] easy. Wear [illegible] clothes, lower [illegible] thermostat, draw [illegible] earlier and turn [illegible] sary lights. Long-life, low-wattage bulbs [illegible] expensive but better value in the long run. If your home is [illegible] with electrical gadgets, from coffee-makers [illegible] video recorders, need they be on all [illegible] time?

Payback is the vital concept [illegible] stage for improving insulation and heating water [illegible] the [illegible] efficient [illegible] possible. Heating [illegible] account for [illegible] than half the typical fuel bill. Woolwich Building society has estimated that, if [illegible] thermal jacket around [illegible] hot water tank [illegible] less than three inches thick, a new, denser, foam-insulated jacket will *pay for itself in* [illegible] *year* (payback: one [illegible] years).

What you may need [illegible] is [illegible] new efficient [illegible] or oil boiler. Gas and oil-fired condensing boilers are far [illegible] efficient than older types (payback: three to six years) If you replace your boiler with [illegible] gas condensing model, you [illegible] qualify for [illegible] grant from the Energy Saving Trust (details from [illegible] Heating [illegible] Ventilating Contractors Association). For [illegible] have individual thermostatic controls fitted [illegible] radiators, or room [illegible] (but [illegible] together), [illegible] for [illegible] hot water cylinder.

A shelf [illegible] a radiator [illegible] window forces hot air back into [illegible] room, and aluminium [illegible] behind [illegible] radiator, especially on [illegible] outside wall, [illegible] the heat inwards and stops it escaping [illegible] wall.

A cheap way of starting a home insulation programme is [illegible] put draught excluder strips on [illegible] windows. Going further [illegible] insulating the [illegible] floors [illegible] in [illegible] wall cavity (if possible) [illegible] expensive and have a payback of several years.

If you are thinking of putting in double glazing or adding external cladding [illegible] building, and you [illegible] listed building or conservation [illegible], consult [illegible] planning authority first.

If you are uncertain about [illegible] do, call [illegible] an independent assessor under the National [illegible] Energy Rating (NHER) scheme which [illegible] home's energy efficiency on [illegible] scale of 0 (very poorly insulated) [illegible] 10.

Your home will [illegible] rated and you will be advised what to do and [illegible] it [illegible]. [illegible] national average rating is about four [illegible] to [illegible] regulations [illegible] about [illegible]. Authorities in Milton Keynes, the London overspill town which [illegible] full of [illegible] houses, have adopted [illegible] minimum rating of 7.5. The National Energy Foundation that runs the NHER scheme is based here.

When buying a new home, [illegible] for [illegible] NHER score as new properties should have energy efficiency built-in.

The Woolwich, comparing [illegible] end-of-terrace three-bed[illegible] houses, estimates an annual fuel bill of £1,205 for the typical Edwardian house (rated 2.7 and emitting 14.6 [illegible] of carbon dioxide) while for the [illegible] new house of similar size, [illegible] cavity [illegible] *and 6in loft insulation, it* would [illegible] £560, with 6.2 [illegible] of CO_2 [illegible] rated 7.5 NHER. The saving is £645. The Woolwich has also estimated how insulation [illegible] cut annual heating costs (see chart).

[illegible] new homes such [illegible] those at the Wimpey development at West Moor, Newcastle-upon-Tyne, (prices from £99,950) [illegible] score is around 9. Admiral Homes, building in the south-east England (in the [illegible] £170,000 range) has a similar average, with some homes reaching [illegible] 10 rating.

Top-rated homes are usually found to be two-bedroom houses in [illegible] of a ter[illegible] and buyers most concerned with energy efficiency [illegible] to [illegible] *making their* second or third purchase: first-time buyers seem less worried about running costs.

In the Building Research Establishment's Environmental Assessment Method (the Brecam scheme) which examines the total environmental impact of [illegible] homes and [illegible] just the heating and insulation, *Admiral believes it is the only* developer to have gained a rating of "excellent". The demands are stringent. As far [illegible] possible, the new home must be on a site of low ecological value (such as [illegible] old building site) and [illegible] recycled materials. [illegible] avoids CFC and HCFC [illegible] that deplete the [illegible] layer and the timber in *the property has been pre*-treated with wood preservative (rather than treated on site).

Admiral's houses have smoke alarms [illegible] cupboards for storing hazardous substances. There [illegible] four [illegible] for different types of [illegible] waste and a rainwater butt. Lavatories have [illegible] maximum flushing capacity [illegible] litres: a good lavatory [illegible] work well with 3.5 litres of water.

In the long term [illegible] is how most houses will be: cheaper [illegible] run and far more frugal with the earth's [illegible] and will maintain their resale value.

Even solar heating may help. But solar energy can [illegible] as successful in Britain as it [illegible] in Cyprus, for example, [illegible] *you can be sure of a bath hot*ter than any you have had from conventional heating in Britain, especially if [illegible] solar panels regularly.

Lastly, plant trees, if you have a garden. Year [illegible] year they soak up CO_2. In [illegible] time, [illegible] VAT [illegible] domestic [illegible] concentrates the [illegible] on energy saving, it may have a [illegible] *side-effect.*

■ Further information: Admiral Homes, Luton (0582-28800); Building Research Establishment, Garston (0923-664664); Heating and Ventilation Contractors' Association (071-229-2488, from [illegible] London 0345-581158); National Energy Foundation, Milton Keynes [illegible] Wimpey, [illegible]

Equestrianism/**Keith Wheatley**

Heat is on for Olympics

Winter in Newmarket. A freezing wind scalps [redacted] Anglia. On the gallops, breath from racehorses frosts and curls away. But indoors, guests are loosening their ties and the windows are running with condensation. It is 30°C (86°F), with 80 per cent humidity. We [redacted] in the Deep South.

Costly climate control equipment [redacted] reproducing the conditions found [redacted] mid-summer in Atlanta, where the 1996 Olympics will be held. At the equine performance centre of the Animal Health Trust, an event horse wearing an oxygen mask in debilitating heat [redacted] becoming acclimatised to a canter on a massive treadmill.

Eventing is addressing the problems of running [redacted] physically demanding Olympic event in a harsher climate than ever before. The sport knows it is being watched closely by the animal rights movement, which opposes the very notion of taking horses to Georgia at that time of year.

Some top riders share their doubts, including US horseman Bruce Davidson who has been quoted as saying that no international three-day event should ever take place there. Politically, though, eventing cannot simply duck the Atlanta Olympics. Equestrianism is one of a handful of elite and expensive sports [redacted] Juan Antonio Samaranch, president of the International Olympic Committee, and other top officials would like to see eliminated from the summer games.

"If the horse sports were dropped now, they would probably never get back into the Olympics," says Dr David Marlin, head of the Newmarket research project. He hopes during 1994 to find [redacted] just [redacted] happens to the physiology of [redacted] horse under the gruelling demands of three-day eventing. "After the 1992 Barcelona [redacted] it was clear that we didn't know what happened when horses exercised under adverse conditions – indeed, even [redacted] the phrase meant in equine terms."

In Barcelona, one [redacted] horse did collapse [redacted] heat exhaustion, although it [redacted] was [redacted] that its fitness training in Russia had been inadequate). In any [redacted], it seems likely that [redacted] standing about in [redacted] midday sun may [redacted] suffered [redacted] than [redacted] petitors blasting around a six-mile cross-country course.

'If horse sports were dropped now, they would probably never get back into the Olympics'

What is certain [redacted] that reporters from countries such as the Netherlands and Germany, where eventing is a moral issue to match fox-hunting in Britain, were out in force. [redacted] every difficult fence, awaiting [redacted] catastrophe.

"In Atlanta, we could [redacted] in [redacted] of 86 degrees and 80 per cent humidity," says Marlin. "At present, no one knows whether horses [redacted] with that, [redacted] how long they might take [redacted] acclimatise. We need [redacted] hard facts before the sport can [redacted] whether the location is acceptable [redacted] not."

The study [redacted] last season with detailed monitoring [redacted] on horses taking part in the Blair Castle and Burghley three-day [redacted]. Marlin's team recorded body weight, heart rate, rectal temperature and blood chemistry at [redacted] of the competitions.

The next stage [redacted] been training event horses to use the treadmill so [redacted] can replicate in laboratory [redacted] tions the demands of a full competition. Four event horses [redacted] by [redacted] army [redacted] initially for this. "In about [redacted] days you can train them to walk, trot, [redacted] and gallop," [redacted] Marlin. "They adapt much [redacted] than humans beings [redacted] in [redacted] in my experience."

He understands [redacted] who might be shocked to see [redacted] horse wearing [redacted] on [redacted] treadmill, but points out: "Any [redacted] will tell you about the difficulty of making a horse [redacted] something he doesn't want to. [redacted] talking about 550 pounds of bone and [redacted] here. It's not dangerous to the [redacted] We're not trying to induce heat exhaustion. If they can do only half the test, then that is it. We can see when things are starting to go wrong – which you can't when you're out on the cross-country course."

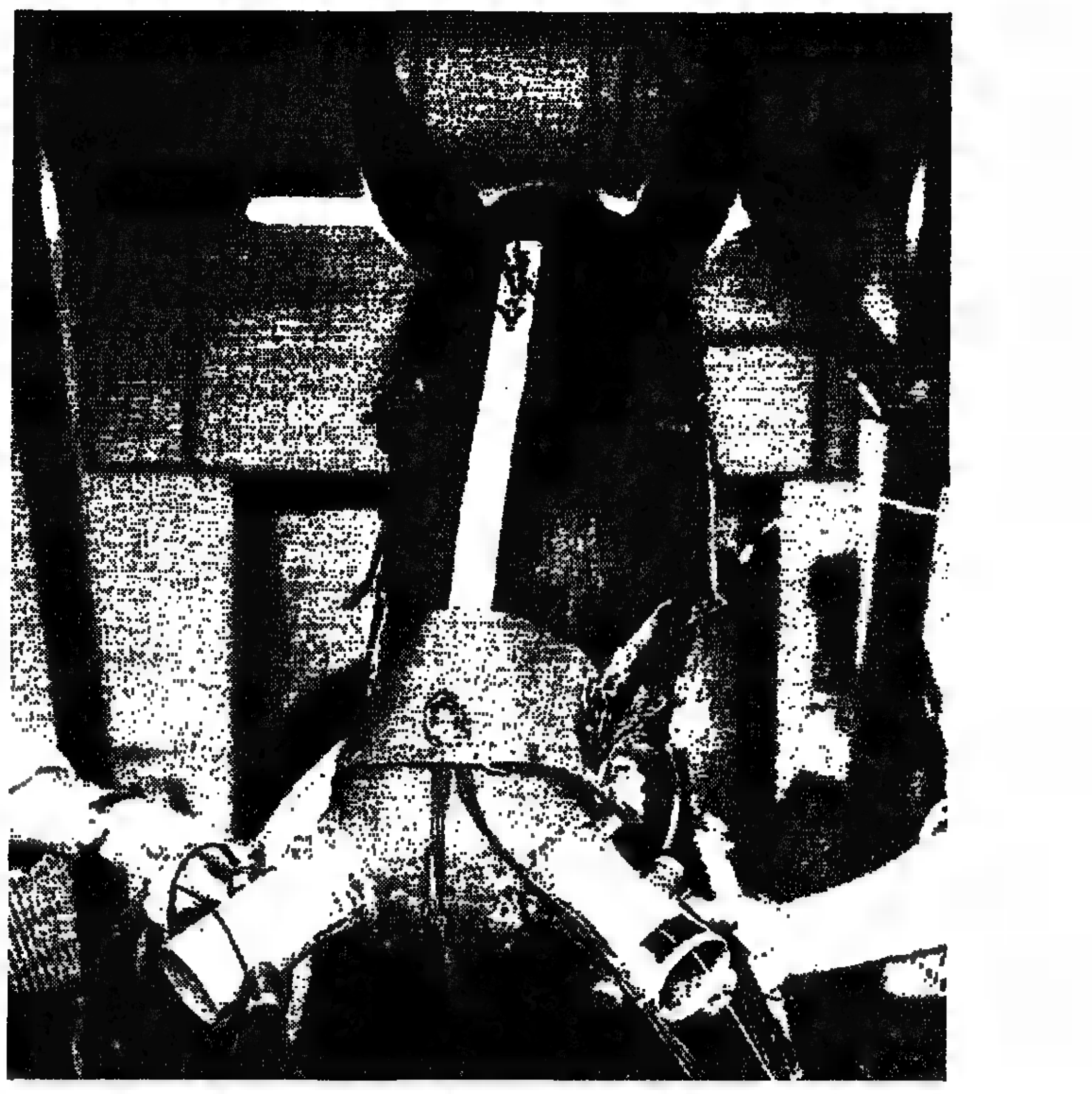
The attention [redacted] detail in the laboratory [redacted] so complete that there [redacted] a huge fan several [redacted] ahead of the [redacted] treadmill position; this simulates the air flow over the body at [redacted] speeds. The £40,000 project [redacted] been financed by equal [redacted] from the International Equestrian Federation and the [redacted] for the Protection [redacted] Horses.

The next [redacted] will be in the spring when the horses are moved to an air-conditioned stable [redacted] they will live for months in the conditions [redacted] mid-summer [redacted] This should provide evidence [redacted] how well acclimatisation helps competition [redacted] – rather like athletes training at altitude [redacted] the Mexico City [redacted].

As [redacted] scientist, though, [redacted] Marlin affected by [redacted] fact that everyone involved in the sport wants his research to show that eventing [redacted] happen [redacted] Atlanta? [redacted] all, a "no" [redacted] from Newmarket could kill [redacted] an Olympic sport.

Marlin disagrees: "Our only concern [redacted] the [redacted] If [redacted] come [redacted] the conclusion that three-day [redacted] ing isn't [redacted] in Atlanta conditions, we're going to come out and say so.

"This [redacted] has implications that [redacted] long [redacted] past the 1996 Olympics. In [redacted] future, I believe we'll [redacted] offering a Bupa-style checkup [redacted] the competition horse."



[redacted] Marlin/AHT

Breath test: [redacted] horse is examined at the equine performance centre [redacted] the Animal Health Trust in Newmarket

Golf/**Derek Lawrenson**

What the professionals do in winter

Fifteen years ago Ian Woosnam used [redacted] wonder how he would make ends meet during the winter.

His seasonal earnings exhausted, Woosnam would ring around his [redacted] in his native Oswestry [redacted] see if there was any part-time work available as a barman, a waiter, a greenkeeper or a milkman.

This was the lot of a tournament professional who had finished outside the top 20 in the money list. The year was clearly defined and there were long months to try and fill with something other than the only life they cared about.

Times have changed, at least for the male touring professionals: the women still have to do bar work or help out in their local friendly professional's shop.

Woosnam, now a tax exile and a millionaire many times over, spends November and December in the southern hemisphere before returning to his new home on Jersey for Christmas.

There [redacted] hardly any [redacted] professionals to take [redacted] break at all. Just [redacted] days have elapsed [redacted] Johnny Walker World Championship in Jamaica, but already the restless have clubs in their hands and tickets in their pockets. The European tour season begins again on Thursday in Madeira. In the US, the winter break was even [redacted] Their tour is already [redacted] in California.

Sometimes it is difficult for the fan to sustain interest in golf in mid-winter. Did [redacted] really [redacted] to [redacted] an [redacted] already-rich golfer earning [redacted] £1m in Sun City? Did [redacted] feel sympathy for Sam Torrance [redacted] complained, [redacted] the [redacted] Jamaica, while [redacted] golf clubs all [redacted] Britain [redacted] "course closed" signs went up [redacted] of [redacted] incessant rain.

Even though they can play through the winter, many profes[redacted] take [redacted]

Severiano [redacted] has [redacted] seen [redacted] but he [redacted] pulling pints [redacted] delivering [redacted] Usually, no-one [redacted] of season on [redacted] golf [redacted] lesteros. This [redacted] he has changed his plans [redacted] of [redacted] chronic lower back condition. [redacted] spent [redacted] morning doing [redacted] working out on special machines. With two [redacted] children to [redacted] his time, [redacted] has [redacted] plenty [redacted] think about other than his golf. [redacted] his [redacted] form and lack of desire last year, this may be no bad thing. He will [redacted] play in public until February.

Ballesteros [redacted] outspoken [redacted] upon [redacted] top players by the year-round golfing [redacted] answer is [redacted] at [redacted] Nick [redacted] is to spread his 26-tournament workload throughout [redacted] year. He [redacted] just [redacted] likely to [redacted] three [redacted] off in July or August, as he did in 1993, as in [redacted] January.

For [redacted] players, [redacted] remains a period, [redacted] quite short, when their winter thoughts tend [redacted] other things, other sports. Many, like [redacted] Baker (Wolverhampton [redacted] derers) [redacted] Trish Johnson (Arsenal), finally [redacted] to use [redacted] football season [redacted] Paul [redacted] burst [redacted] FC [redacted] the Beazer Homes League around the country with his friends. Jamie [redacted] and [redacted] Chapman [redacted] be spotted around [redacted] paddock at Kempton race track.

Two Swedes, Joakim Haeggman and Robert Karlsson, [redacted] skiing, another, Anders Forsbrands, plays [redacted] hockey.

Patrick Hall contemplates [redacted] and [redacted] with his exotic fish. Mark James watches Star Trek [redacted]

The point of all this is to give the mind [redacted] golf. [redacted] play [redacted] the [redacted] Championship, when he finished 31 [redacted] winner, Larry [redacted] what [redacted] you do not.

[redacted] Price, [redacted] not let anything [redacted] between him and his native Harare in December. He says: "I regard [redacted] my golden time of the year. It's the time that I've worked really hard all year [redacted] enjoy."

The promising young professional, Jim Payne, agrees: "The [redacted] long that if you don't find [redacted] things [redacted] do in [redacted] winter [redacted] find you're mentally exhausted come the big events in September. You have to [redacted] yourself. Obviously there [redacted] players who [redacted] play more golf than others but they'd [redacted] carting you off to [redacted] nuthouse if you didn't stop thinking about [redacted] some point."

Payne, [redacted] go and watch Grimsby play football. Such is [redacted] talent, and therefore earnings potential, [redacted] he should have enough to buy them in [redacted] couple [redacted] That would certainly give [redacted] something [redacted] to [redacted]

Gardening / **Robin Lane Fox**

Up the hill slowly

For two years, I have been engaged in an assault on a listed garden monument. Such [redacted] provoke [redacted] to [redacted] them, but [redacted] for the [redacted] is mercifully simple. The [redacted] in place: immovably so, as it [redacted] involved about 300 megaliths [redacted] stone.

I therefore declare 1994 the Year [redacted] Mound, having changed the face of the biggest surviving mound in [redacted] which has dominated my [redacted] college's gardens for 350 years.

Mounds, [redacted] mounts, became popular [redacted] gardening emerged from [redacted] middle ages. They [redacted] hillocks, built artificially, off [redacted] gardeners could survey [redacted] handiwork or [redacted] glimpse [redacted] beyond [redacted] garden wall. When [redacted] College in Oxford decided to build [redacted] mound, wild nature over its city wall amounted [redacted] the [redacted] park and woolly fellows [redacted] Magdalen College. [redacted] complete, [redacted] mound [redacted] looked down on four famous [redacted] gardens, embroidered with [redacted] of arms, a floral clock and the college's motto, Manners Makyth Man.

Some believe the mound began in 1529 when 500 loads of rubbish [redacted] dumped [redacted] gardens. Certainly, it had been started by [redacted] 1590s [redacted] "ye gardener" [redacted] being paid [redacted] shilling [redacted] piling earth "towards the making [redacted] mount".

[redacted] piling [redacted] barrowing continued for 60 [redacted] In [redacted] historians [redacted] on the civil war, but New College had an event [redacted] its own: [redacted] was complete, with steps [redacted] intervals up to [redacted] and [redacted] hedge round [redacted] girth.

[redacted] then, [redacted] knot gardens [redacted] given [redacted] lawn and wild nature beyond [redacted] has become our barbarous building. [redacted] steps [redacted] away; the fellows' learned sundial [redacted] disappeared; [redacted] sprouted [redacted] random, [redacted] cially [redacted] horrible syca[redacted] view [redacted] by [redacted] oaks, one of which dates back [redacted] the 19th century.

In 1991, [redacted] prospect changed. Kenneth Rose, a journalist and historian, donated a sum to his old college for the mound's improvement. Everybody agreed that [redacted] undergrowth needed to be cleared, except for the London *Evening Standard* which lamented the plan, alleging that it [redacted] ally [redacted] sexual affairs of undergraduates.

To widen access, I pictured a tapering staircase in stone, opening the mound in a bold, full-frontal [redacted]

But [redacted] a listed monument, a mound [redacted] planning permission – and this [redacted] to satisfy building regulations and protesting parties.

Many more parties [redacted] interested now than in [redacted] A pressure group for rural [redacted] said the idea was intrusive in a rural setting, although [redacted] garden is in [redacted] middle [redacted] Oxford; heritage groups claimed [redacted] the weeds and decay on [redacted] mound were part [redacted] your [redacted] my heritage; and [redacted] History Society opposed [redacted] proposal on [redacted] ground [redacted] it did [redacted] qualify as [redacted] it [redacted] not restoring the original steps.

[redacted] city council began to [redacted] Could I not [redacted] ambition and build [redacted] tial staircase, only a third of the [redacted] the [redacted] hill? Refusing [redacted] climb down, we put [redacted] full-frontal [redacted] it, voted – and let [redacted] through. After [redacted] year's "consultation", we [redacted] we [redacted]

[redacted] nearly foundered on [redacted] standard [redacted] gardening handbooks. In their diagrams, steps [redacted] separate [redacted] and separate [redacted] as [redacted] We mapped out experimental [redacted] dropped flat [redacted] on to them like mini-bricks, but [redacted] ever more awful [redacted] the [redacted] whole.

I was [redacted] by John Robins, [redacted] practises architecture in north London. He saw [redacted] should ignore the garden [redacted] the [redacted] from single blocks. In such a bold setting, blocks [redacted] quality which conventional [redacted]

[redacted] also require muscle [redacted] the talent [redacted] masons. [redacted] commissioned a local team which [redacted] and hoisted [redacted] of gravel and the [redacted] for 50 broad, tapering steps.

If I [redacted] you [redacted] anything similar, [redacted] sure [redacted] use a trained architect: about [redacted] for [redacted] of [redacted] staircase, which now rises like the steps up [redacted] ziggurat, beautifying a mound which had lost [redacted] point through [redacted] many years [redacted]

The city council did make one condition. It insisted that an archaeological survey should precede this new folly. [redacted] Oxford Archaeological Unit, [redacted] Chris Bell found nothing [redacted] cause further bother, apart from some mugs, clay pipes, oyster [redacted] puzzle: a quantity of small bones, [redacted] an unidentif[redacted] animal.

These [redacted] have now [redacted] identified, [redacted] carbon dating but from [redacted] London cock[redacted] circuit. In the early [redacted] female undergraduates kept a lamb in college. It lived in their bathroom; they named it Ruffly. Their cleaner fed [redacted] a toffee bar, whereupon it choked and died while [redacted] keep[redacted] attending a lecture.

They gave it its last rites on the college mound and buried it darkly at dead of night, turning the [redacted] with their mortar[redacted] Five days' archaeology on [redacted] council exhumed poor Ruffly, kept in [redacted] of college regulations.

[redacted] high hill (as the poet, John Donne, puts it), rugged [redacted] steep, Truth stands. Nothing [redacted] above our staircase except a proposal [redacted] an inauguration on Ascension Day, [redacted] which [redacted] merely see [redacted] can impose a [redacted] interpretation. To the beat of drums, under-achieving pupils and tutors can be led up for execution by [redacted] academic auditors, sent recently by [redacted] Department of Education [redacted] measure our [redacted] value.

Perhaps visitors will [redacted] for a [redacted] on our high hill. [redacted] think that Ruffly deserves a memorial, patron [redacted] our academic flock. In the deconstructed climate of today's intellectuals, I would prefer [redacted] a void [redacted] signify Truth by [redacted] leap into nothingness on [redacted] top.

Ashley Ashwood

Stairs with a view: the new feature of New College, Oxford's old mount

Antarctic voyage success

The crew of the [redacted] *Ernest Shackleton*, on a voyage [redacted] the [redacted] mission [redacted] British explorer [redacted] ship, *Endurance*, was [redacted] by [redacted] polar pack ice (*FT*, [redacted] 18), [redacted] safely on South Georgia *writes Roderic Dunnett*.

Trevor [redacted] and [redacted] colleagues left Elephant Island in [redacted] on [redacted] 24. The [redacted] was becalmed at [redacted] but made several days' good sailing, helped by cur[redacted], before hitting [redacted] of gales.

[redacted] noon on January 3, [redacted] party was 100 miles [redacted] South Georgia. Having made landfall, they ran into [redacted] gales – recalling the harsh [redacted] encountered by Shackleton in 1916 – but found shelter in Elsehul, a rocky harbour [redacted] the north [redacted] tip [redacted] South Georgia and landed on January [redacted]

The [redacted] plans [redacted] cross [redacted] neck [redacted] land known as the [redacted] Gap [redacted] foot, [redacted] ing, in reverse, part [redacted] route the explorer took on his mountain trek [redacted] Stromness, the Norwegian whaling station, [redacted] found help [redacted] companions.

Potts' arrival coincided with the [redacted] the [redacted] Show, at [redacted] Court, [redacted] Shackleton's boat, the [redacted] *Caird*, [redacted] displayed.

BOOKS

Away from Lake Wobegon

J.D.F. Jones finds Garrison Keillor allowing his irreverent imagination to take flight

Garrison Keillor [redacted] always being described as the funniest writer in America [redacted] *today*, but [redacted] warned, he is not everyone's cup [redacted] His new collection of a score [redacted] *stories and scripts*, [redacted] *of* [redacted]s, exposes his weaknesses [redacted] as his strengths, and confirms *that he takes* [redacted] *big risk when he* turns his back on [redacted] home [redacted] the wonderfully named Lake Wobegon.

Keillor was – is – a [redacted] of genius who [redacted] eight years [redacted] published half-a-dozen collections in which the [redacted] are often framed in [redacted] *first*-person reminiscence of small-town life in Minnesota. They are all [redacted] in Faber paperback and newcomers might as well start with the first, *Lake Wobegon Days*, in which the gazetteer footnote on page 1 [redacted] that "bleakly typical of [redacted] prairie, Lake Wobegon has its origins [redacted] utopian vision of 19th-century New England Transcendalists but [redacted] populated mainly by Norwegians *and Germans*". *Keillor then adds*, in his lean, pleasing style, that "a [redacted] the Lake brings [redacted] air [redacted] mud and rotting [redacted] a slight fishy smell, [redacted] picks [redacted] the [redacted] old [redacted] a sharp whiff of gasoline, [redacted] tires, spring dust, and, from [redacted] the *street*, the faint [redacted] of tuna hotdish at the *Chatterbox Café* . . ."

From the beginning, Keillor has been playing with nostalgia, [redacted] with sentiment; harking back constantly [redacted] the intensity and the [redacted] of [redacted] ("He [redacted] liked beer. Beer parties were big deals at [redacted] twenty carloads of [redacted] an abandoned granite quarry, [redacted] beer keg in [redacted] trunk, radios blasting, and beautiful women careening into the bushes *to throw up"); risking the* [redacted] straw-chewing, folksy wisdom ("Luck lies in not getting what you *thought you wanted but* [redacted] what you have, which once you have it you may be smart enough to see [redacted] what you would *have* wanted had [redacted] known"). All [redacted] dangerous inclinations [redacted] been redeemed by wit [redacted] a list of experiences he thought he should have in order [redacted] a writer. *He left* No.1 blank [redacted] his mother might [redacted] it. No.2 [redacted] Europe; [redacted] despair . . .").

(I apologise *for all these* parentheses but it [redacted] difficult [redacted] the flavour of Keillor without resorting [redacted] quotation.)

The Book of Guys is not set in Lake Wobegon, but Minnesota still *features prominently*, [redacted] diversions to South Dakota, Maine, a venomously described Vermont, *President Bush's D.C., and Heaven*, from which the cowboy Lonesome Shorty [redacted] his [redacted] story. The linking *theme is that "guys are in* trouble. Guys are gloomy . . ." The fault [redacted] in monogamy, and in *particular in the nature of women* in this feminist [redacted] ("A monogamous man is like a bear *riding a bicycle: he can be trained* to do it but he would rather be in the woods, doing what bears do.")

THE BOOK OF GUYS
by Garrison Keillor
[redacted] *£14.99,* [redacted]

[redacted] it [redacted] surprise that "Guy Pride" *is sweeping* the US – and here Keillor has great fun with the "Wild Man" antics of (real-life) poet *Robert Bly and his imitators*, [redacted] least in [redacted] monologue by Al Denny, the absent-minded, best-selling *New* [redacted] *author* [redacted] *Person You Are* and *Re-birthing The Me You Used To Be.*

Truth to tell, this is [redacted] *curate's* egg of a collection, by which I mean that some of the [redacted] *should never have seen the light of* day, particularly a cute anecdote about two mice and a dubious tale *of a missionary's son who catches* leprosy from an African toilet seat. Some are Over The Top (e.g. *"Christmas In Vermont"); some are* too tricky for Keillor to pull off (Zeus as a Lutheran pastor). [redacted] are more successful: Dionysus at 50 discovering that he has run out of immortality; the injured football hero who runs happily to fat; Earl Grey, "the *only living American to* have a popular beverage named after him, Dr David Pepper having *passed away a few years before").*

Which reminds us that Keillor stands or falls as a *humorous* writer *and deserves* to be rated in a distinguished tradition that includes Thurber: it is no *coincidence that he appears in the* New Yorker. The wisecrack is part of the tradition – as in "Seduction *is a mutual endeavour in which I* conspire with a woman to give her an opening to do what she wants to do without reminding *her that this* goes against her principles". Or the deadly parody – for instance, President Bush reacting [redacted] the invasion of Chicago by the barbarian Huns: "The President [redacted] in charge, Bob. That's part of the job. I think [redacted] people who think the President is not in charge [redacted] going [redacted] have a very big surprise coming. I don't want to say what it is."

Thirdly, there [redacted] an American delight in exaggeration taken in a logical progression to absurdity – *Catch 22* is a sustained example – and Keillor [redacted] this [redacted] *allowing* [redacted] irreverent imagination [redacted] flight. Thus, [redacted] travelling First Class: "The [redacted] *attendants wore* gold-paisley sarongs slit up the [redacted] and pink-passion lipstick, they were Barnard graduates (cum *laude)* in humanities, and they set a vase of fresh roses on my table, *along with the seviche and salmon* loaf and crab puffs with Mornay sauce, and they leaned over me, *their perfect college-educated* breasts hanging prettily in place, and they whispered, 'You've got a *nice butt. You ever read Kant?'*"

Is that funny? Isn't it? Up to a point, Lord Copper.

Unholy alliance before check mate

I must [redacted] an interest. I have played [redacted] games against the subject [redacted] book, Nigel Short, [redacted] against the author, Dominic Lawson. I lost all [redacted] with Short were part [redacted] a "Simul". This [redacted] grandmaster [redacted] 20 [redacted] more players simultaneously. [redacted] was for a charity [redacted] victims of torture (an appropriate [redacted] *I* [redacted] up in knots). Dominic Lawson [redacted] participated [redacted] occasion [redacted] held Short [redacted] draw.

[redacted] publication [redacted] Oxford *Companion* [redacted] – one [redacted] the *players, Adam Hart-Davis*, actually [redacted] My Law[redacted] encounter was a more even [redacted] *the end* [redacted] graciously: "You ought to play [redacted] You'd [redacted] game." He [redacted] A.J. Ayer, his philosopher step-father, whom *I* [redacted] play subsequently, [redacted] the [redacted] was a draw. [redacted] said: "I think if [redacted] gone [redacted] I [redacted] you . . ." – [redacted] good example of language, [redacted] and logic.

I [redacted] it [redacted] something [redacted] from [redacted] *Inner Game*, Lawson's fascinating behind-the-scenes account [redacted] the [redacted] World [redacted] Championship [redacted] the Savoy Theatre. [redacted] ability [redacted] not [redacted] be correlated with [redacted] kind of ability. You [redacted] great philosopher [redacted] at the same time an [redacted] at [redacted] Alternatively you can [redacted] a great chess-player [redacted] a very unsatisfactory human being.

What, then, [redacted] Garri Kasparov and Nigel [redacted] *really* like [redacted] people? All [redacted] counted in the end [redacted] the moves they [redacted] *in their* [redacted] *They* are given in full [redacted] the end of this book. Still, after [redacted] *coverage the* event attracted, [redacted] remains curious [redacted] know [redacted] about [redacted] from [redacted] Lawson, from his privileged standpoint as [redacted] confidant and *support throughout* [redacted] match, [redacted] man [redacted] tell us – though, [redacted] warned, in Lawson's [redacted] *Short* [redacted] no [redacted] even when [redacted]

[redacted] Challenger emerges as a *saintly* [redacted] day his [redacted] name, and by implication [redacted] country's, [redacted] inscribed [redacted] *chess's* [redacted] roll of honour. By contrast [redacted] reigning World Champion Kasparov – "Gazza", Short [redacted] him – [redacted] arrogant self-seeking bullying two-timing thug. [redacted] or not [redacted] distortion, [redacted] thing [redacted] clear: [redacted] absolutely loathed [redacted] other. Nothing was [redacted] formal, [redacted] real, [redacted] their initial handshakes.

[redacted] match began they came together [redacted] unholy alliance. [redacted] was like Churchill becoming pals with Stalin [redacted] an [redacted] *object of hatred*. In [redacted] instance [redacted] Florencio Campomanes, president [redacted] *FIDE, the governing body* [redacted] Kasparov had never *forgiven* Campo [redacted] *stopping an* [redacted] championship match with [redacted] just [redacted] he [redacted] seemed [redacted] be moving in [redacted] the kill.

[redacted] was piqued [redacted] Campo's plan to [redacted] this championship match in Man[redacted] – [redacted] deal [redacted] much [redacted] negotiation [redacted] concluded [redacted] tion with [redacted] who [redacted] the time was [redacted] on his way [redacted] Athens.

Both players were incensed by the 25 per [redacted] their prize-money FIDE proposed [redacted] for itself. [redacted] a schism in international [redacted] opened with [redacted] newly formed PCA (Professional [redacted] Association), [redacted] brainchild of Short [redacted] Kasparov, setting itself up as a rival ruling body. This fracture is still unhealed.

Lawson was privy [redacted] all the [redacted] wheeling [redacted] dealing. [redacted] had [redacted] an [redacted] in [redacted] instrumental in *getting* [redacted] backing [redacted] develop [redacted] from Sir Patrick Sheehy's *Eagle Star insurance* [redacted] he [redacted] in [redacted] middle [redacted] hurly-burly involving [redacted] *tium consisting* [redacted] *Rupert Murdoch's* News International advised by Raymond Keene [redacted] *eventually* prevailed *as* [redacted] angel [redacted] breakaway [redacted] Championship. According [redacted] *Lawson*, Kasparov [redacted] the Fide option right [redacted] the end. [redacted] was [redacted] *situation* [redacted] *compli*[redacted] than anything that happened [redacted] on the chessboard [redacted] bly [redacted] describing it all.

[redacted] result [redacted] same title: [redacted] Fide-run championship [redacted] Timman and Karpov (the runners-up [redacted] match) in Rotterdam; and [redacted] self-styled World [redacted] Championship [redacted] Savoy [redacted] Kasparov and Short, which eclipsed [redacted] other [redacted] totally.

Lawson [redacted] interestingly through Short's [redacted] of preparation for [redacted] *great event*. [redacted] him co-opting [redacted] fellow grandmasters like, [redacted] emigré Czech Lubosh Kavalek [redacted] US and Jon Speelman in the [redacted] his long [redacted] of work *with them* [redacted] *his potential* opening strategy. Chess at this level is played by committee *with a chairman who has the* power to override everything [redacted] pro[redacted]

Then there *is* [redacted] ing blow-by blow accounts [redacted] the games themselves which, [redacted] into [redacted] of boring technicalities, are pithily [redacted] along with all the post-mortem [redacted] Even though [redacted] the outcome, these games retain all the tension that [redacted] across at [redacted] time. [redacted] 16, the solitary game that a grey, drained, haggard Short won, renewing our faith in him, loses nothing of its triumph in [redacted] verbal [redacted] replay.

Short's dignity in [redacted] was exemplary. Indeed his decorously correct behaviour in public throughout the match [redacted] strangely [redacted] variance with [redacted] especially of his opponent, [redacted] and small daughter [redacted] nearby for [redacted] of the [redacted] whereas Kasparov's [redacted] remained [redacted] home leaving his mum [redacted] his [redacted] – [redacted] *in* [redacted]

Kasparov's [redacted] child. *Short's parents' marriage* [redacted] up; his [redacted] left their [redacted] Nigel [redacted] *chess-prodigy. For* this Championship [redacted] a [redacted] in Kavalek, [redacted] man [redacted] 50, whom [redacted] then [redacted] through [redacted] match. [redacted] Freud who [redacted] *that* [redacted] was a symbolic [redacted] of [redacted] Oedipus conflict. Possibly he was *right*.

THE INNER [redacted]
by Dominic [redacted]
[redacted] *£14.99,* [redacted] *pages*

Anthony Curtis

The red stag, long a heraldic symbol of power, has become the unwitting icon of a conservation and social clash

Red deer lock horns with green politics

Not only is the stag at bay, but most of Highland society [redacted] *well says* ***Jonathan Young***

That wildlife's [redacted] is [redacted] politically-awkward paradox that forms [redacted] of [redacted] Wigan's study [redacted] red deer and green politics.

There are some 300,000 red deer in Scotland, most of them living on some 200 deer *forests* – *large tracts of hill* [redacted] mainly by [redacted] and sheep, stalkers and shepherds. To be *viable in different stalking* conditions, including an unscheduled visit by hill-walkers, these [redacted] big: [redacted] author's own, Borrobol, [redacted] 23,000 [redacted]

Elsewhere such [redacted] would [redacted] exceptional but [redacted] tish hill ground [redacted] unproduc[redacted] has always [redacted] up in great holdings. Before the private lairds there were the clan chiefs. [redacted] there are new landowners, such as the RSPB [redacted] Scottish Natural Heritage, *with new ideas*. The heather hills, once the sportsman's lonely preserve, are now *cherished as part of Europe's* last wilderness. Conservationists, ramblers and mountaineers *all* want their *share* [redacted] these private estates devoted to deer. The red stag, long a *heraldic symbol of power, has* become the unwitting icon of a conservation and social clash.

The new *conservationists* stress that the glens once supported far higher human populations, who were removed in the Clearances [redacted] 1780-1830 and replaced by sheep; the Victorians then discovered deer-stalking and some 3.6m acres were given over to this. The owners were abetted by *the sheep and deer in this* transformation, whose busy molars ensured that all trees were *shorn to destruction and* that a deer forest remained anything but wooded.

This is no *longer acceptable* in conservationist circles, where bio-diversity is all. The aim now is to reproduce the ancient Caledonian forest, to restore the land to its prehistoric state. Wigan describes how the Cairngorms Working Party Report outlined a strategy [redacted] the [redacted] of two [redacted] Strathspey and Mar. All foreign trees, such as larch, *lodgepole and spruce, would be* removed and replaced with home species.

The plan could [redacted] *possibly* work, however, without the [redacted] shooting [redacted] the [redacted] deer, [redacted] would [redacted] destroy the new saplings. The [redacted] number needed [redacted] culled is [redacted] given, but [redacted] the figures [redacted] the East Grampian [redacted] Management Group, [redacted] estimates [redacted] over [redacted] would [redacted] population if [redacted] area of [redacted] be created.

A similar operation [redacted] restore [redacted] growth [redacted] taken on the 4,000-hectare Creag [redacted] estate, owned by [redacted] Natural Heritage. In 17 years [redacted] population [redacted] cull would [redacted] killing on a mas[redacted]

The deer-forest [redacted] that this should [redacted] happen. Venison brings in [redacted] annually, according [redacted] Wigan, [redacted] £3.7m in stalking [redacted] in an impoverished [redacted]

Sadly, the locals, both human [redacted] cervine, [redacted] to [redacted] in [redacted] new thinking on [redacted] forest. [redacted] only the [redacted] bay in Wigan's account, but [redacted] *much of rural Highland society.*

THE STAG AT BAY: THE SCOTTISH RED DEER CRISIS
by Michael Wigan
[redacted] *Hill Press £12.95 150 pages*

Blake and the devil

Everything [redacted] *of* the [redacted] E.P. [redacted] – his clarity, humanity, and [redacted] learning – [redacted] present in this book, the last he [redacted] it [redacted] an absorbing [redacted] story revealing aspects of English history usually neglected in [redacted] With his customary skill Thompson brings vividly into view [redacted] social [redacted] religious life in the 17th and 18th centuries, his aim [redacted] contribute [redacted] a great scholarly [redacted] – the mystery [redacted] William [redacted] got [redacted] extraordinary religious and poetic imagery.

There [redacted] an entire [redacted] industry devoted [redacted] Blake, and Thompson [redacted] it with disarming robustness. There [redacted] almost as many views as there are scholars on [redacted] question [redacted] influences shaped Blake's imagination, an imagination which seems *in equal* [redacted] until one glimpses [redacted] rich veins of dissenting religion which [redacted] it.

Thompson's intimate sympathy for the life of England below the grand social [redacted] where constitutional history is [redacted] – the level [redacted] bishops, dukes and princes – gives him [redacted] sharp sense of [redacted] tumultuous life of popular religious thought. Ranters [redacted] Quakers, *Muggletonians, Diggers* [redacted] Behmenists, strove with one another, [redacted] established order, [redacted] themselves, in a surging flux of thought in [redacted] 17th century. Thompson's [redacted] is [redacted] discover in this rich tradition [redacted] ideas, expressed in the vivid symbolism of great [redacted] like "Jerusalem" and "The [redacted] Heaven and Hell", and in the extraordinary illustrations which accompany them.

[redacted] could not, Thompson argues, [redacted] *simply* [redacted] *novo* [redacted] resonant vocabulary [redacted] symbolism which distinguishes his [redacted] Its [redacted] and consistency [redacted] not miscellaneous reading fuelling [redacted] free play [redacted] imagination, [redacted] a rich tradition upon which [redacted] could draw. What was it?

Some say [redacted] Bible as interpreted by Milton [redacted] Dissent. Others say it is [redacted] of such [redacted] as the Moravians, Rosicrucians or Swedenborgians. Yet others hold [redacted] *was as an* [redacted] and [redacted] helped him[redacted] to an assortment of notions from as far afield as Neoplatonism and [redacted] Kabbala, mixing them into his own poetic vision.

[redacted] this whirl [redacted] opinions Thompson brings his forensic skills [redacted] *suggest* an answer. It goes [redacted] follows.

In [redacted] 17th century many dissent*ing groups saw the God of* [redacted] lished religion [redacted] a "God-devil", presiding over [redacted] Babylon [redacted] bishops [redacted] parsons who aided the [redacted] in oppressing ordinary people. Dissenting religion and political revolution were closely allied in the Leveller and Ranter movements [redacted] the time. Doctrinally [redacted] expressed [redacted] as a rejection of the outward forms [redacted] established religion – including, for example, marriage – in [redacted] of inspiration and prophecy.

[redacted] revolutionary [redacted] were suppressed, but one strand of them survived and, a century and a half later, was still an influence as Blake was writing his great poems. This was the Muggletonian move*ment, named after Ludowik Muggle*ton who with his cousin John Reeve preached a striking gospel. The serpent, they said, had literally entered Eve's womb in Eden, and dissolved there into seed, so that some of her progeny – Cain and his successionwere offspring of Satan. Thus mankind is a mixture of sons of Adam and the devil. Later God literally dissolved himself in Mary's womb *likewise, and was made man*; so that while Jesus walked the earth there was no God in Heaven. One *Muggletonian* creed ran, "I believe in God the Man Christ Jesus, who was a Spiritual Body from all Eternity Who by Virtue of his Godhead [redacted] into [redacted] sage [redacted] the [redacted] Virgin [redacted] Womb And [redacted] nature and Clothed Himself with Flesh Blood and [redacted] as with a [redacted] thereby [redacted] Capable to [redacted] Death." Not unsurprisingly the Muggletonians were [redacted] blasphemous obscenity, and remained an underground organisation.

Muggletonian notions, Thompson argues, echo strongly in Blake's writings. Reason is regarded as the work [redacted] devil; [redacted] theme [redacted] serpent copulating with [redacted] constantly; and so [redacted] the idea that [redacted] evil in man results from [redacted] copulation. Thompson demonstrates [redacted] per[redacted] Blake's poems and paintings.

But Thompson might have made a discovery – he is judiciously cautious about it, [redacted] the evidence [redacted] incomplete – which makes the *Muggletonian connection* [redacted] Blake persuasive. It is [redacted] his mother very likely [redacted] from a Muggletonian family. If so, a powerful conduit for these ideas directly links the Muggletonian teachings to Blake's extraordinary poems.

Historical detective work carries its dangers; dramatic mistakes can be made in reconstructions of the past. Thompson was always alert to *the dangers. He weds caution to* brilliance, and tempers insight with fact. But in his hands the result, as *this fascinating study shows, still* reads like a thriller.

WITNESS AGAINST THE BEST
by E.P. Thompson
Cambridge University Press £17.95, 234 pages

A.C. Grayling

A look back at affairs

When the late Sean O'Faolain was in his eighties, his daughter Julia encouraged him to write a supplement to his 1964 autobiography. In deference to his wife, Eileen, the earlier volume had not [redacted] important affairs of his middle age – with Elizabeth Bowen, Honor Tracy and an American socialite, Kick Erlanger. By then he was finding writing increasingly difficult, and this was the only subject that appealed to him, as Julia O'Faolain explains in her introductory "Afterword" *(sic).*

The original *Vive Moi!* contained an interesting and *selective record* of a writer's development. He was born in Cork in 1900, the son of a *policeman and a* woman who took in theatrical lodgers, grew up during the Gaelic Revival, the Easter Rising and the Civil War and then won a scholarship to Harvard. By the time his first collection of stories was published in 1932 the best of the autobiography is over. When not discussing writing, O'Faolain falls into a flat anecdotal tone. He is good at specific descriptions but *cannot handle abstract ideas.*

O'Faolain first met Elizabeth Bowen some time before the 1939 war (the date is not clear). He read *The Last September* on his way to London and arrived in a state of great excitement about this "Irish Turgenev". An acquaintance organised a lunch to introduce the stately Anglo-Irish woman [redacted] the disillusioned patriot who had fought for the new Republic only to have it ban his books as obscene. She was only a year older than he, but they were worlds apart. The trouble with O'Faolain's account of this unlikely alliance is that we learn very little about Elizabeth Bowen as a person, although he does eventually insinu[redacted] that Elizabeth [redacted] writer was *not quite Irish enough* for [redacted] tastes.

More revealing is Julia's memory of "La Bowen" as a source of contention between Sean and Eileen because she invited Sean but not Eileen to house parties. Julia also points out that O'Faolain's supposedly candid memoir does *not mention* Eileen's "stress-maladies . . . brought [redacted] by your *philandering* [redacted] *Honor Tracy".*

Much [redacted] made by the ungallant O'Faolain of Honor Tracy's plainness: a buxom red-head with no ankles who, nevertheless, was known to the pub-gossips within months of arriving in Dublin [redacted] the [redacted] "Hot [redacted] Tracy". When eventually [redacted] O'Faolain he is overwhelmed by her sexual expertise and he seems to have remained in her thrall for several years. We learn from the Afterword that when the affair was over she rented a small tower in the same village as O'Faolain and his family, and lived there defiantly for years, which says more about her spirit and her sense of humour [redacted] olain does.

Julia O'Faolain's [redacted] for her father and her understanding of him are evident in her Afterword which is drafted (rather archly) as *an intimate letter* [redacted] *"dear Sean".* But her judgment in publishing the often portentous ramblings of his old age be questioned. She has apparently edited his "candid supplement", but not with any great care. To misquote Yeats once is bad enough, but to misquote him twice [redacted] follow that with a misquotation from [redacted] Shakespeare's best known [redacted] inexcusable. Neither [redacted] tidy up the chronology. [redacted] of all, we do not really learn anything [redacted] interest about two [redacted] more important friendships in his life – with Elizabeth Bowen [redacted] Honor Tracy – except for the [redacted] that these friendships also had [redacted]

VIVE MOI! AN AUTOBIOGRAPHY
by Sean O'Faolain
Sinclair-Stevenson £20, 377 pages

Alannah Hopkin

Drawn in the manner of Haarlem

Patricia Morison enjoys Amsterdam's 'The Dawn of the Golden Age' exhibition

Unwary people could be fooled by the Rijksmuseum's cunningly chosen poster for its stupendous and extremely costly new exhibition. They will catch sight of baby Catharina Hooft and her nurse, an enchanting portrait painted in 1620 by Frans Hals, and think, "Ah, Hals! And that of course means the Dutch Golden Age, Rembrandt, Cuyp, Vermeer, Jan Steen, and so on."

In fact, Hals is the bait to lure the public to an experience which is surely vastly more rewarding. *Dawn of the Golden Age* is a beautifully designed and magisterial survey of the visual arts in the north Netherlands between 1580 and 1620. So far as I know, no museum has ever made such an ambitious commitment to the art of this complex and absurdly neglected period. A marathon show, it demands a far longer visit than the press were allowed. So allow at least a day for it, and if this period of Dutch art is a blank on your cultural map, try before hand to browse in the well-written catalogue, a massive Thames and Hudson production.

Sixteen galleries are elegantly arranged with just about anything a Dutch nobleman or burger could have aspired to, around 1600; 160 paintings and drawings, prints, sculpture, glass, silver, calligraphy, furniture, armour, and superb tapestries. Two-thirds of the exhibits are loans, brought from all over the world. Curious rarities include a needlework "painting", an extremely rare survival of a large woodcut of the Mocking of Christ such as humble people pinned to their walls and, at the other end of the social scale, unique example of a gauzey, Frenchified ruff.

Dutch craftsmanship was worth waiting for. A tapestry caparison for a parade horse was made by the famous Spiering workshop for the coronation of Gustavus Adolphus of Sweden, but delivered years late. François Spiering was a refugee from Antwerp. Many other artists in the exhibition were Flemish Protestant refugees: the under-appreciated genius Jacques de Gheyn II, theorist and painter Karel van Mander, Hans Bol who made miniature townscapes popular, and Paschier Lammertijn, king of damask. What we think of as the Dutchness of Dutch art was directly dependent on the impact of men who had learned their trades in the highly specialised workshops of the south.

There are many pointers to the bloody struggle for independence from Catholic Spain. There is Hendrick de Keyser's model for the tomb of William the Silent, and a superb gold tazza engraved with the scene showing the wiley ruse which brought to an end the siege of Breda. Dutch towns were fiercely proud and rapidly growing extremely rich. Many beautiful things in the exhibition were commissioned by the towns as propaganda. Heroic failure was no less worthy of record, as shown by quite one of my favourite exhibits, an enormous tapestry which shows a naval disaster, from a series commissioned by the States of Zeeland.

Few painters of the Dutch dawn are widely popular today – perhaps only Hals and Avercamp, the mute who specialised in skating scenes. The giant of the exhibition is the painter and engraver Hendrick Goltzius (1558-1617), a dazzlingly and protean talent. Other leading masters of their day were Cornelis Cornelisz, Abraham Bloemaert, Joachim Wtewael, and Pieter Lastman, the history painter who for six months taught Rembrandt.

Rarely do Old Master exhibitions strike such an instant blow to the visual nerves as the first room with Bloemaert's "Death of Niobe's Children" (from Copenhagen), Cornelisz's "Battle of the Titans", Goltzius's "Massacre of the Innocents" and Wtewael's "Deluge". In the late 1580s and '90s, this group of Haarlem artists were in thrall to the engravings of the well-travelled Bartholomaeus Spranger, such as the famous "Marriage of Cupid and Psyche".

From their paintings, prints and drawings, it is clear to see how intensely competitive these Haarlem Mannerists were. As Karel van Mander urged them, Flemish artists had to show the Italians that they had caught up. They, too, had drunk from the wisdom of the ancients. It was their turn to show that they could not only represent the idealised nude with the skill of a Michelangelo but show it performing terrifying gymnastics in incredibly complex compositions.

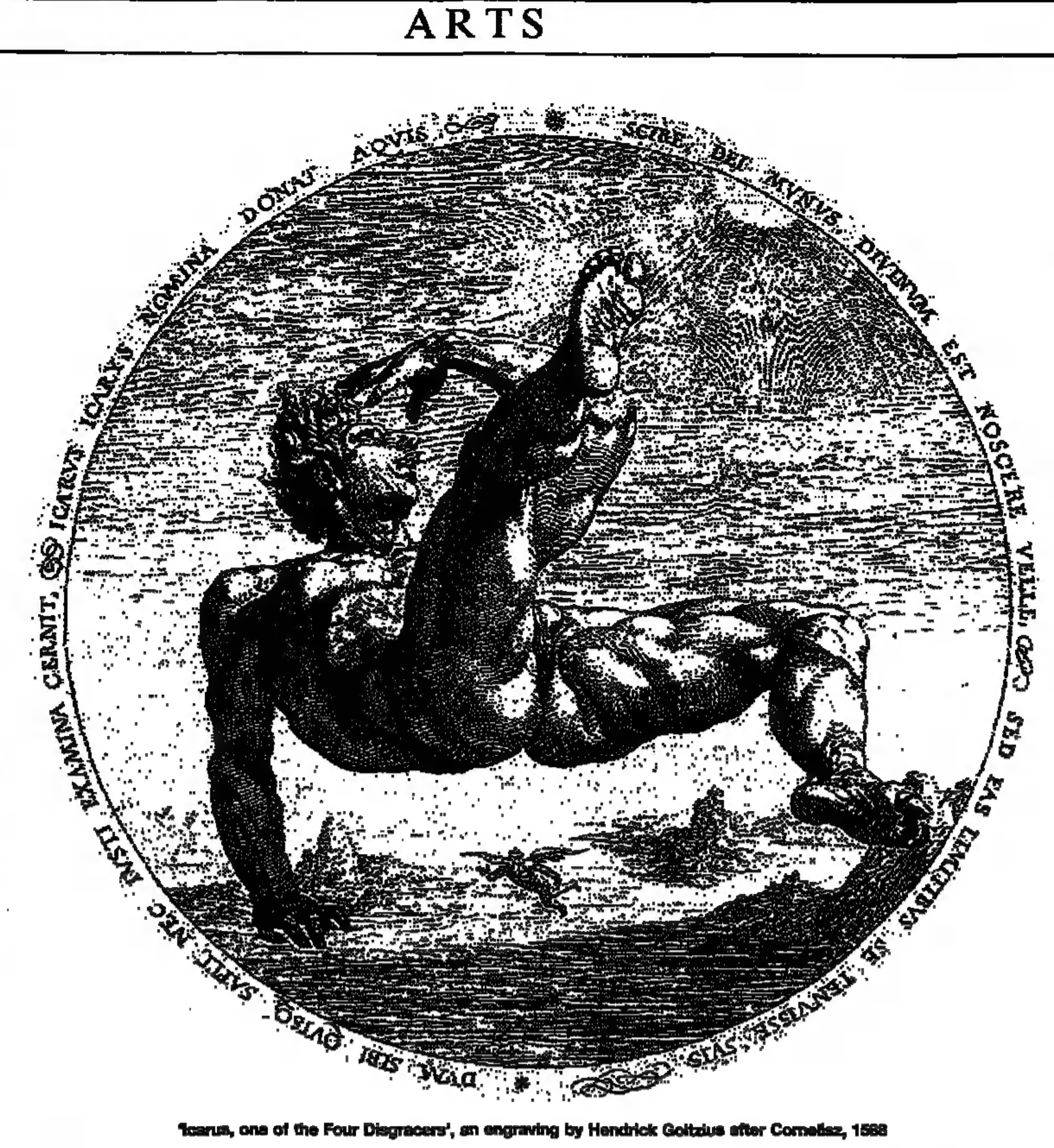
Dutch Mannerism around 1600 repulses many people for being so frantic and exaggerated. Artists were fascinated by the erotic, including incest and homoeroticism, by violence and disasters, by the monstrous and irrational. (Look at Jacques de Gheyn's witches, his almost human frogs, and the repulsive little bronze monsters designed by Arent van Bolten.) Or could it be that taste this century is tending in a direction similar enough to make us receptive to even the wildest visions of the Mannerists?

Haarlem mannerism in painting is not everyone's taste. But anyone who likes Art Nouveau must surely love the silversmiths, Adam van Vianen and his brother, Paulus, goldsmith to Rudolf II in Prague. Their pieces in auricular, ear-shaped style, make silver seem hardly more solid than whipped cream. Ewers and goblets swirl biliously, giving fleetingly glimpses of women, parts of the body, and grotesques.

If this seems a little unwholesome to fit your idea of Dutch art, be reassured that there are more straight-forward delights, such as the early landscapes, still-lives, flower-paintings, and the hilarious military fashion-plates by Jacques de Gheyn. I particularly enjoyed the "friendship books" kept by several artists. As animal artists, Goltzius and Jacques de Gheyn can hold a candle to Dürer.

Again and again, the genius of Goltzius has one open-mouthed in admiration. His pen-drawings in imitation of engravings are incredible, technical show-offs which nonetheless have real beauty. Just see the merriment of the "Boy with a Skull and a Tulip". Marvel, too, at the "Study of a Right Hand". Those three visble fingers look deformed. Is this Goltzius' right hand which van Mander said was badly burnt, or is it simply "by the hand of Goltzius"? do not miss this wonderful chance to look at Dutch art in its cradle.

On cultural events being mounted as part of the *Golden Age of Amsterdam* festival, contact VVV Amsterdam Tourist Office, 06-340- 34066. *Dawn of the Golden Age* is sponsored by Unilever. The exhibition runs until March 6; advance tickets can be purchased from Netherlands Reservation Centre, PO Box 404 (33-70-320-2500).



'Icarus, one of the Four Disgracers', an engraving by Hendrick Goltzius after Cornelisz, 1588

Fine crafts reach the capital

The applied arts are the poor relations of the exhibition circuit – invariably confined to the provinces and constricted by a lack of cash. Of the thousands of shows staged in London over the last decade, the only memorable exhibitions of western works of art that spring to my mind are the V&A's *Rococo: Art & Design in Hogarth's England* (1984), Paul de Lamerie at the Goldsmiths' Hall in 1990 and the in-house celebration of George IV's Carlton House at the Queen's Gallery three years ago. And characteristically, it took a collaboration between the Liverpool Museums and a commercial furniture dealer, Blairman's, to re-establish the reputation of the extraordinary George Bullock as one of the greatest cabinet-makers and designers that England has produced, in an exemplary show in 1988.

By refreshing contrast, a number of promising shows of objects and applied arts are scheduled for London in the New Year. The first, at the Royal Academy from January 20, presents highlights from the choice, idiosyncratic and wide-ranging collection of antiquities amassed by George Ortiz. In an age in which any rich-ish professional calls himself a collector, it is heartening to discover that the rare breed of connoisseur is not quite extinct.

A quite different taste is exhibited at the V&A when over 350 pieces produced by the House of Fabergé, Imperial Jewellers, go on show, courtesy of the Hermitage and the Fabergé Arts Foundation of Washington DC (January 26-April 10). From February 16, the museum is also host to *The Golden Age 1730-1760: Brass Inlaid furniture by John Channon and his Contemporaries*, a show which originated from that powerhouse of furniture history, Temple Newsam House in Leeds.

What should be *the* exhibition to go and see in 1994 is the V&A's monographic study of one of the most profoundly influential figures of the 19th century, A.W.N. Pugin, the father of the Gothic Revival. *Pugin: A Gothic Passion* (June 15-September 11) takes up the perhaps unenviable challenge of presenting the great Goth as architect and designer of everything from furniture and metalwork to silver, ceramics, jewellery, textiles, wallpaper and stage sets.

Susan Moore

Dancing with the wind

Joan Acocela explains 'Butoh' and the work of Eiko and Koma

Practitioners of Butoh, the "dance of darkness" that arose out of the rubble of postwar Japan, periodically tour the US, their naked, twisted bodies moving with infinite slowness in an atmosphere of unnamed anguish. American audiences tend to view these performances with awed respect. At the same time, Butoh shows often have a certain gun-to-the-head quality as if, were you to prefer something else – something with music, something with clothes, on your night out – this would prove you a person of low character.

Eiko and Koma, a Japanese husband-and-wife team, received their early training form Butoh masters, and they have much in common with Butoh. They are primitivist; they are slow; their limb sockets look as though they have been rearranged. But Eiko (the woman) and Koma (the man) are so riveting that, in watching them, you forget to say to yourself: "This is good for me."

Eiko and Koma are both in their 40s. They met at the University of Tokyo where they were studying law and political science, and moved to the US in 1976. They generally give one show a year in New York, and the shows are much the same. The title is usually organic – past works include *Grain, Night Tide, Tree, Rust, Land* – and the element named is often part of the show. The couple has done whole dances in pools of water and piles of leaves. What the dance involves is some exceedingly slow transaction – for example, Eiko and Koma move toward one another, reach one another, then part. Basically, the organism reaches for the thing it needs.

Nothing could be more natural and, as their titles indicate, these shows are about nature. But by virtue of the extreme slowness and detail of the movement, and also the dislocations of the body – at times you do not know what is an arm, what is a leg – all is translated into a luminous unnaturalness, in which the smallest action carries a huge rhetorical force.

This is Eiko and Koma's formula. They never change it; they never cheapen it. Actually, they have altered it a bit recently. With the collaboration of the American Indian composer Robert Mirabal they have begun using music in a more conventional way. And whereas before, all their work was performed by them alone, their last two shows have included their son Yuta Otake. He is only eight, but he too can now move in slow motion.

Eiko and Koma's most recent piece, *Wind*, had its New York premiere in December at the Joyce Theater. No, it does not use wind machines. Instead, feathers fall slowly, two or three at a time, onto the stage, and as they float and twist in the air, the air becomes an actor in the drama. Meanwhile, below, the dance takes the form of passages: first Koma, then Eiko cross the stage and vanish, their spirits presumably carried away in the air. At the end, Yuta is left on the stage, seemingly dead. But at the very last moment, he begins to move. He is being born, or reborn.

In the middle of the piece, there is a blackout, and when the lights go on again, we see a tangled blob on the stage. It is Eiko and Xoma, naked, locked in an embrace. But like all sex scenes in their work, this one is sexy only in a rather dire way. At one point Eiko, lying on her side, arches her body into the air. We see her whole trunk – full frontal nudity. But it does not look like a nude woman. It looks like a sting ray, or a bearded face, or God knows what. And that is the force of Eiko and Koma's work: to use only the body, but generalise it, so that it becomes Nature, and make it strange, so that it becomes theater.

Koma is the more poignant of the two. He is humanity, struggling. As for Eiko, her face is a mask, her every limb-rotation an eerie drama. She seems to have died and returned. She is one of the most thrilling artists on the New York stage. Together, she and Koma are giving primitivism a good name.

Tom Brazil

Slowness, with great detail of movement: Koma in 'Wind'

Off the Wall/Antony Thorncroft

Arts Council off the hook

A month ago the Arts Council seemed to be one British institution going rapidly down the plug hole. I now confidently forecast a future for the Council of serene stability: its crisis is over. This is only partly because of the arrival in April of a tough new chairman, Lord Gowrie, who knows his way around politics and would not have taken on the job without certain guarantees.

The main reason for feeling sanguine is that the Council now has *few* opportunities to beat itself up. It is a small irony that, during a Conservative government, the Arts Council has become excessively *dirigiste*. The most obvious example is the four London orchestras. Instead of letting market forces decide which should prosper, the Council tried to impose a solution, with the well known baleful results. But also in modern dance, the regional theatre, and the visual arts the Council has attempted to know better than the consumer. Now, with the one exception of a joint review, with the BBC, into the regional orchestras, the Council plans few major initiatives that seem certain to explode in its face.

An era of indolence goes hand in hand with the hope that the organisational turmoil in the arts, and the Arts Council, is over. In a few weeks the Council will announce around 30 redundancies as it cuts £600,000 from its administrative costs as part of an efficiency drive forced on it by Peter Brooke, the heritage minister. After that the Council is supposed to be in perfect shape.

It is the same with the Regional Arts Boards. On April 1 they take on more, and bigger, clients devolved from the Arts Council, and the new grass roots structure of the arts in England finally falls into place. Only a lunatic would suggest another major review or strategy document on the arts.

There is one other factor which should give the Council confidence. While Peter Brooke protected the rest of his empire in the November Budget he cut the grant to the Arts Council by £3.2m, the first ever reduction in its revenue. But this was only politics. The Treasury felt that the Council had been over-generously endowed by David Mellor. The cut was a small slap on the wrist to put the Council in its place. Next autumn, when the 1995-96 grants are announced, the Council can anticipate a reasonable rise in revenue.

★

If things look brighter for the Council it is far from certain that its secretary-general, Anthony Everitt, will have his contract renewed at year's end. When Lord Palumbo arrived as chairman, with a blueprint for devolution and a slimmed down Council, it so appalled the then secretary-general, Luke Rittner, that he resigned. His deputy, Everitt, went along with Palumbo and stepped up to the top job. Rittner is close to Lord Gowrie. Indeed when Gowrie was chairman at Sotheby's he brought in Rittner to head the marketing team. Old scores could be settled.

★

Apart from a love of the arts Lord Gowrie was keen to chair the Arts Council because in a year's time it becomes a much bigger challenge. The Council will distribute Lottery money to the arts which will transform the cultural scene in the UK. The first trickle of the gold rush might emerge in January 1995.

Ministers originally played down the size of the cash flow. Of course it depends upon the betting instincts of the British, but early estimates of £70m a year for the arts (with the same amounts going to heritage, sport, charities and the Millennium Fund) look over-cautious. Now the whisper is that the arts could eventually be £200m a year better off.

The money is intended to go on capital projects – a better heating system for the National Theatre, for example, or improved dressing rooms at Covent Garden – rather than boosting annual subsidy, but improved facilities can have a direct effect in bringing down running costs and increasing box office revenue.

For one object of national importance it looks as if the Lottery has already arrived as saviour. The Three Graces, the classical sculpture Canova made for the Duke of Bedford in the early 19th century, was bought by the Getty Museum of Malibu, California, for £7.9m. But an export licence has been refused.

Last month Peter Brooke announced that he was consulting the museums and the art market as to whether, in exceptional circumstances, an export block should not last for 18 months instead of the more typical three months. If the soundings support the idea, then the Three Graces will still be in the UK in the spring of 1995. The V&A can launch another appeal to acquire it and the government gain general kudos when, thanks to Lottery money, it stays in the UK.

The Lottery seems so wonderful that it is bound to be a disappointment. Apart from a mad scramble by applicants for its largesse, one worrying aspect has emerged. The Millennium Fund was supposed to leave the nation with a legacy of great cultural monuments for the 21st century – a Welsh Opera House in Cardiff; a National Gallery of Scottish Art; a Tate Gallery of Modern Art; a revamped Royal Opera House, etc. But now it seems that the money can also be spent on general building projects, like an Embankment Underpass from Westminster to the City. Such an undertaking might make life in the capital sweeter, but it hardly counts as a heritage gain.

ARTS

Film-makers baptised in fire

Nigel Andrews talks to director Chen Kaige about the true cultural revolution going on in China

We know how an individual recovers from a nightmare. He wakes up, turns on the bedside light, stares round at comforting reality: soon the horrors start to disperse. But how does a nation recover – especially from a nightmare that began as a dream?

"I really believed in Mao a long time ago," says film-maker Chen Kaige, whose Cannes Golden Palm-winning epic of Chinese history *Farewell My Concubine* opened in Britain this week. "Everybody did. We had no other reference points to the outside world. We had never been out of China. We believed in communism like Nature."

And they believed right up to, and into, the Cultural Revolution. Like any nightmare, though, this one finally got bad enough to wake everyone up. *Farewell My Concubine*'s half-century-spanning story of two rival Peking Opera actors ends in 1977, after the Gang of Four were arrested and the C.R. reached official fade-out. But the horror of that period gives Chen's film its dramatic last act, shock-punctuated with betrayals, arrests, show trials and summary deaths. And in men like Chen himself, Zhang Yimou (*Raise The Red Lantern*) and Tian Zhuangzhuang (*Horse Thief*) China's agonies have given China a generation of film-makers, baptised in fire, who have become the greatest and bravest in its history.

Chen's debut feature *Yellow Earth* (1984) began it all. It was the first Chinese film anyone could remember that portrayed real people in real, remote landscapes. "The land where we shot the film," he says, "was the birthplace of so-called 'Chinese civilisation.' And incidentally of the Communist party. Yet cameras had almost never been there before. When I got there I was shocked. People were very quiet, very guarded, very austere. Yet reading their faces was like reading Chinese history."

Before Chen made *Yellow Earth*, the country's cinema had alternated big-screen melodramas – love and betrayal amid the cherry blossoms – with march-and-sing propaganda film bearing titles like "Heroic Red Women Save The Jute Factory." *Farewell My Concubine* wryly invokes both traditions. It *is* melodramatic; and it does allude, paradoxically, to the propagandist pageantry of Maoist cinema. But like all Chen's work – *The Big Parade*, *Life On A String* – *Farewell* takes the scenic route to enlightenment. It gives the devil his photogenic due before rendezvousing with truth, sense and freedom.

It also counterpoints the public dream of Maoism with the private dreams of its unheroic "hero." A gay Peking Opera actor who plays the Queen on stage to his rival and idol's King, he suffers not just for his art but for his homosexuality. "He's the guy who cannot make a difference between real life and life on stage," Chen says. "He's a beautiful dreamer, he lives like ET."

ET??

"Yes, he comes from another planet. He cannot get on with ordinary people. He lives in his art, and finally he sacrifices himself for his art."

But why set that sacrifice in 1977 – surely the year of hope and emancipation for China? "This man belonged to the old times. *Farewell My Concubine* is not just a political story, it's an artistic one. He was coming into a new age where he knew he would not belong. He would not be useful or comfortable.

"Today Chinese Opera is dying. The government tries to play patron, but it doesn't work. The life style on which Opera is based is gone. We used to be very close as a community, the Chinese people. Where I lived, I could hear the people curse in the next room. We'd say 'Hello' to each other every morning. It's not the same in modern-day China. In the old days you could ring an Opera troupe and say, 'Lets have a performance in the courtyard!'

"Peking Opera was an amazing form, so dedicated, and so enclosed! If you talk to old performers as I did, you find they knew nothing about the outside world or politics. But when they talk about Opera their eyes and faces come alight. They're dreamers, like my hero."

But experienced dreamers also know when a dream is ending. Killing himself on stage in the film's last scene, perhaps Chen's hero senses the distant shadow of Tiananmen Square, reaching out to choke the hopes of those who believed that tyranny might have vanished with Mao. For Chen it has never vanished. His recent films were made with non-Chinese finance and initially banned in China. Yet he and his contemporaries have gone on making films that hammer against the walls of silence and intolerance in their country, walls raised during the 25 years of Mao's rule.

"Maoism was a beautiful dream of establishing a new world, a new society. We all tried to believe in it. And we did believe in it, up until the Cultural Revolution.

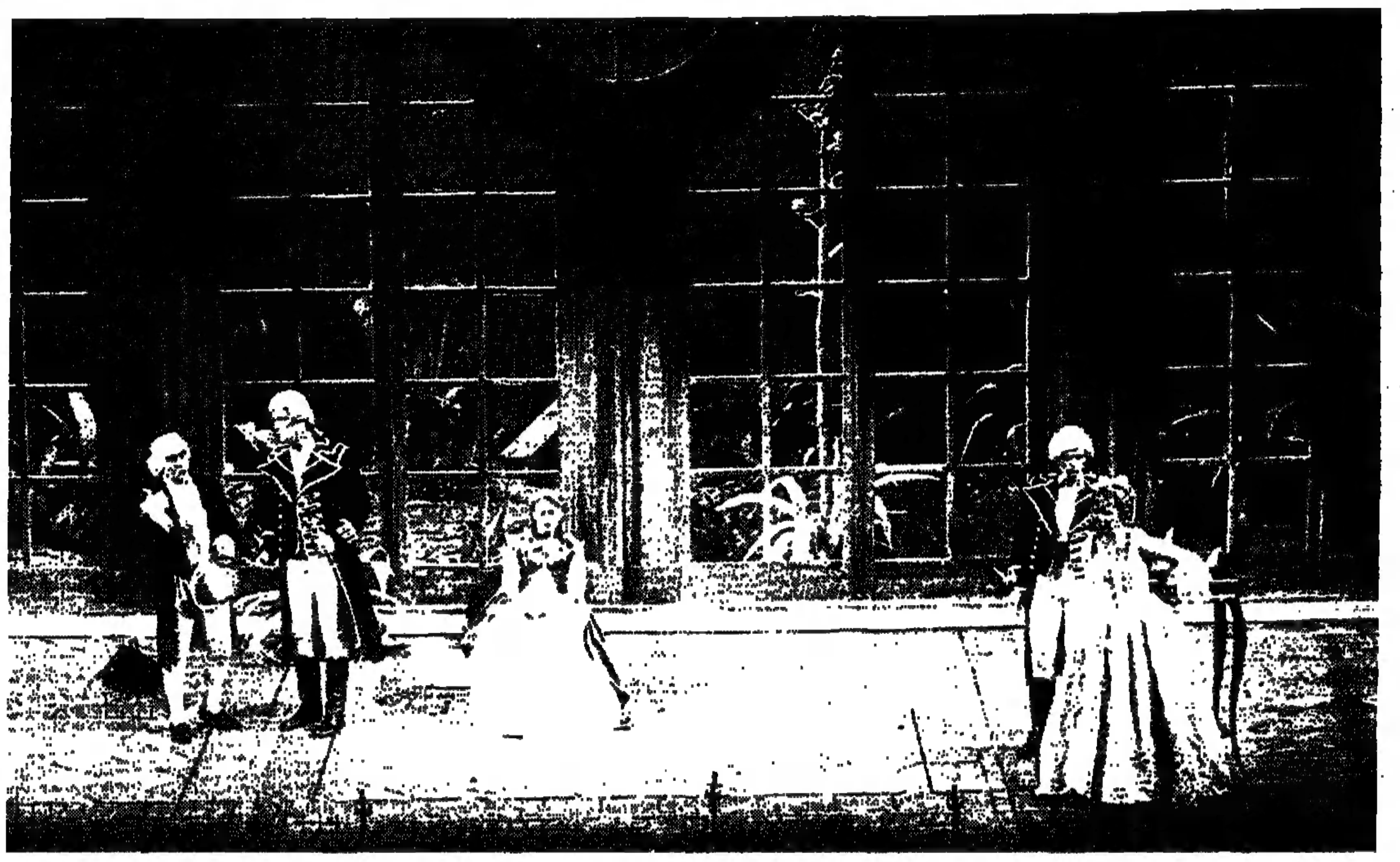
"What you see in *Farewell* about that period is true. People started to denounce and betray each other. I denounced my own father when I was 14. He was accused of being a secret agent for the Kuo-Min-Tang (*Chinese Nationalists*). It wasn't true. But the point is, people lived in fear. Fear of being kicked out from society. So to stay in society they needed to denounce other people to prove their loyalty. That's how Mao ran the country."

Now a quarter century after Mao let "a thousand flowers bloom," in order to search out and cut down the nonconformist shoots, a band of cinematic survivors has created something like a true cultural revolution. Last year Chinese film-makers were the most prolific prize-winners on the festival circuit, snapping up the Golden Lion/Bear/Palm consecutively at Venice, Berlin and Cannes.

"There was one very emotional moment in Cannes," says Chen. "An American journalist asked me, 'You young film-makers in China have made such great progress, how do you feel about this?' The answer is, we have been working towards this for *ten years*! I was very emotional, I almost cried. Only I and other young directors know how difficult it has been. You have to fight enemies you don't even know; you're attacked from every direction. That is why as a generation we are pretty strong. I'm sad to say it, but we are strong."

Records/**Richard Fairman**

Opera casts its net back



If any new opera recordings retain their importance, John Eliot Gardiner's Mozart cycle will surely be among them. Above shows a scene from 'Cosi fan tutte', recorded live at Ferrara

About 20 years ago my local library moved into new premises and took what then seemed the ambitious step of opening a record section. The objective was not to make money by charging, as it is now. The expansion of the library's services was simply an invitation to its readers to broaden their interests.

As no payment was required, anyone could afford to be adventurous. Why I borrowed a boxed set of LPs entitled *Stars of the Old Vic and Sadler's Wells* I do not now remember. Most of the singers would have been unknown to me and I had never been to the opera at either the Old Vic or Sadler's Wells. The records had to be returned within a fortnight, but there was one group of performances in that collection so exciting that it has stayed fresh in my mind ever since.

The set concluded with a selection of excerpts from Britten's *Peter Grimes*, performed by the original cast soon after the opera's premiere, in 1948. For some reason they had never been issued at the time and EMI had decided to use them to illustrate a high-point in the history of the Sadler's Wells company. Now they are back, superly re-mastered, in excellent sound, as part of a two-CD box of historic Britten recordings which unearthes still more rare treasures, a tempting proposition.

No! – it is more than that. The *Peter Grimes* excerpts are essential listening for anybody interested in the opera. Hearing them again, one realises why this opera blew through the British musical world like an East-coast gale. The music has a biting edge, the drama a chill realism, by the side of which performances today all too often sound warm and comfortable. No other singer surpasses Peter Pears's intensity in the mad scene, unhinged and wild, frightening to hear. It is also good to have preserved on disc Reginald Goodall, the original conductor, and Joan Cross, Britten's chosen Ellen Orford, who died aged 93 just before Christmas. The rest of the set has substantial excerpts from *The Rape of Lucretia* made in 1947 (not, alas, with Kathleen Ferrier) and early recordings of Britten folksongs. Six tracks, including some of the *Peter Grimes*, are appearing for the first time.

Britten: Excerpts from *The Rape of Lucretia* and *Peter Grimes*; folk-songs. Recorded 1943 to 1951. EMI CMS 764 727-2 (2 CDs)
Donizetti: *Anna Bolena*. Chorus and Orch of La Scala, Milan/Gavazzeni. Recorded live 1957. EMI CMS 764 941-2 (2 CDs)
Régine Crespin: un portrait. *Various orchs and conductors.* Recorded 1958 to 1972. EMI CMS 764 434-2 (4 CDs)
Puccini: *Manon Lescaut*. Chorus and Orch of the Metropolitan Opera, New York/Levine. Decca 440 200-2 (2 CDs)
Mozart: *Così fan tutte*. Monteverdi Choir, English Baroque Soloists/Gardiner. Archiv 437 829-2 (3 CDs)

EMI's set of Donizetti's *Anna Bolena* will also be new to many people. This release bestows a certain legality upon what used to be a pirate recording, though the sound quality unfortunately remains very poor, subject to sudden outbreaks of twittering, which I take to be interference in the radio reception. This is the price we have to pay to hear Maria Callas in the title-role, live at La Scala, Milan, 1957, at the very height of her career. The whole of the final scene, sung with infinite variety of colour, is an object-lesson in bel canto singing, every line with something to say. There are also live recordings of Callas in Bellini's *Il pirata* and Verdi's *Macbeth*.

The set devoted to another prima donna from the 1960s – Régine Crespin – does not offer enlightenment on such a consistent level, but is a welcome collectors' item. Crespin's voice and style of singing have been described as "addictive", which seems to me apt. There are unsuccessful performances here – a deadly slow Schumann *Liederkreis* Op.39 is one – but, as with Callas, this is a truly personal singer, imaginative, moving, memorable. A shame that Decca, which holds her best recordings, has not issued a similar retrospective.

That company's main operatic release this winter had one eye on the future. Ever since Luciano Pavarotti signed an exclusive contract near the start of his career, Decca has been building up its recordings of the tenor's main operatic roles (prime material for future re-release, long after the singer himself has retired). As his repertoire is relatively small, there is not much to go, but Puccini's *Manon Lescaut* is a new addition, which Pavarotti sings with all his customary beauty of voice. Mirella Freni, with whom as a child he shared a wet nurse, sounds less well preserved. Decca's recording is brash and James Levine conducts with relentless passion, loving the music to death.

It is interesting to speculate which recordings from today will be accorded historic importance in the next century. Individual stars, like Pavarotti, will certainly have a place, but how shall we look back on the authentic instrument movement, if it continues to progress and change at the present rate? Even the most advanced performances, in terms of research and period accuracy, might soon sound out-of-date.

If any present recordings retain their importance, John Eliot Gardiner's cycle of the Mozart operas will surely be among them. This series sums up all that is best about the movement in general. His new set of *Così fan tutte* is thoughtfully cast, immaculately – nay, astonishingly – precise in every technical detail, considering it was made at a live performance. Gardiner has a reputation for ruling his singers and orchestra with a rod of iron. And it shows.

Of the three Da Ponte comedies, on which he is now engaged, none sparkles as a result of technical brilliance more brightly than *Così fan tutte*. The trios and quintets of the first act are so clear that an average music student could sit down and write out the parts without any need to hear the music again – assuming, that is, he could keep up with Gardiner's speeds. One imagines long hours of rehearsal, in which the conductor went over each passage time and time again until every little phrase was balanced as he wanted it. Single-mindedness can be a virtue in a conductor.

It is a feature of the performance that the six solo singers should form an obedient ensemble. Anybody who has a favourite old recording in which the singers flaunt their personalities (Montserrat Caballé and Janet Baker, for example) may feel cheated at the comparatively pale portrayals here, in which blending of voices rather than individuality is the prime requirement. Nevertheless, Amanda Roocroft and Rosa Mannion as the two sisters, Rainer Trost and Rodney Gilfry as their lovers, contribute some beautiful singing, the soprano and tenor especially. Eirian James is the Despina with a surprise baritone register, Carlos Feller the Don Alfonso. Gardiner could not achieve his high standards without colleagues as skilled as these.

Drosselmeyer steals the show

Productions of *The Nutcracker* come and go. Mostly they do not go soon enough, and among the tribulations of the festive season – like hideous Christmas cards from forgotten relations – are those misbegotten stagings with which innocent children are introduced to "the ballet".

English National Ballet's version by Ben Stevenson, brought among us two years ago, has won few plaudits from me. Its party scene is a rough and tumble in which tots are given alcohol, an old man falls over several times, and small boys behave like miniature terrorists: true to life, no doubt, but no fun to watch on stage. Much of the dramatic signposting in the score is crassly ignored. Later scenes are somewhat better, though much infested with child performers. What virtues the affair possesses are owed to Desmond Heeley's designs (which *just* manage not to go over the top in seasonal winsomeness) and, this year, to the disciplined and buoyant dancing of the company – the fruit of Derek Deane's policies after less than a year as artistic director.

I saw the piece on Wednesday evening, and was content to sit through the early mayhem because of the promise of Yelena Pankova and Thomas Edur in the grand pas de deux. Pankova remains the enchanting ballerina we knew with the Kirov. Her dancing is as light as ever, frosted and sweet as a Sugar Plum should be, and unfailingly charming. I wish the version of the pas de deux were better, but Pankova persuaded me at moments that it was real choreography. So did Edur, with his aristocratic manner, the lift and clarity of his style, and the beautiful quietness – that absence of vain display and empty bravura – which touches his grandest, most serious moments as a dancer. He also partnered Susan Jaffe, very secure and polished, in the snow scene, both of them giving its ice-skating curlicues something like academic seemliness.

For the rest, I salute the corps de ballet, who appeared strong and sure of themselves, and note that Philip Arrona's Drosselmeyer looks very like Talleyrand. I could not, though, take myself to this version unprepared, and on Monday night I went to Covent Garden to be reminded by the Royal Ballet's wise and sensitive staging of what a *Nutcracker* should be. Here sentiment, and the musical aptness of the dance, are paramount attractions – and the choreography does not insult its players. I saw Miyako Yoshida as the Sugar Plum, clear and bright in step, and Tetsuya Kumakawa as her cavalier, cutting astonishing shapes in the air. But it was *Stephen Jefferies as* Drosselmeyer who made the evening glorious.

Jefferies, as we have known for 20 years, is a dance-actor expressive, original, profound. He made Drosselmeyer a contemplative, almost melancholy figure, at once mysterious and benign. The entire action seemed to spring from his will, and he moved through it as a truly Hoffmannesque figure. In its concentration, its dignity and commanding intelligence, this reading rivalled anything I have seen Jefferies do throughout his career – even his tremendous Rudolf in *Mayerling*. Such artistry speaks of theatrical genius: we are privileged to watch him.

Clement Crisp

The Nutcracker continues at the Royal Festival Hall until January 22.

Recital of the fin-de-siècle

One would have thought the arrival of a new millennium something to sing about. As the close of the 19th century a wealth of composers, such as Strauss and Wolf, Schoenberg and Berg, were producing songs for the new century – a level of activity that we show no sign of equalling as the year 2000 approaches.

Half the art of giving a successful song recital comes in planning the programme. For her Wigmore Hall recital on Thursday Joan Rodgers turned exclusively to that rich period, 1885-1905. This also had the advantage of drawing her away from the Mozartian era for which she is known in opera. How would a favourite Susanna, Zerlina and Pamina fare as she ventured into decadent turn-of-the-century Vienna?

The first thing to say is that she has not forgotten where she has come from. When she sings Mozart, Joan Rodgers has impressed audiences with a classical poise and purity of voice, though the sound is warmer than it was and has lost some of its ease above the stave. What remains special is the beauty of tone lower down, allied to a care over phrasing, rhythms, consonants that marks a singer of distinction.

All these are important attributes, just as much in the music of Wolf and Berg. It is good to hear a recitalist really sing in Wolf, giving the vocal lines the musical eloquence they deserve. Rodgers was touching in any song where the singing came first ("An den Schlaf" radiant, "Das verlassene Mägdlein" haunting) but made little of songs in which the words should lead the way. In Berg's Seven Early Songs, a favourite with Wagnerians, her Mozartian elegance and precision made a welcome change, but these were again seven of the same.

The sense of a true Lieder singer at work only fully came through with the Strauss songs. Perhaps Roger Vignoles, ever the supportive accompanist, encouraged a stronger contrast of mood, as the words suddenly started to communicate specific emotions. "Allerseelen" managed to be delicate, but still suggest deep feeling. The ingenuousness of a Sophie, the mature sentiment of a Marschallin were held nicely in balance.

Everywhere there was tact, a quality all too often foreign to singers who take up Schoenberg's Cabaret Songs. If anything, these were under-sold, where a hardened recitalist would be hawking their humour and catchy tunes to rake in the applause for the end of the evening. In the song about the cat, Rodgers was a kitten next to the audience-devouring tigress of Jessye Norman, who also gave us Schoenberg in London recently.

To end on a note of unqualified delight: the first encore, Tchaikovsky's "None but the lonely heart", was sheer beauty, understatement at its most moving, every shading of colour and emphasis perfectly judged. It is time that one of the British opera companies invite her to visit as Tchaikovsky's Tatyana.

Richard Fairman

CHRISTMAS CROSSWORD SOLUTION

THERMOSFLASK WATERMETER
O A E T U T P L I I A
TERMS ADDLED PERMANENCY
E O S R O E D R O N A O
MERMAID VERMONT VERMIN
O G O I D U F S O
PAPIERMACHE GERMANICUS
I P L E E L N
ZERMATT SPERM ELIGIBLE
Z E D R E U A E E M
EDGE DISCUS JUNIPERTREE
R R A O I I D O M R
IRONFILINGS MERMAN RUNG
A U I D C E C F D E
SUPERMAN HERMA HERMANN
S C V E O O C
BUTTERMERE WALTERMITTY
N C E R L I X B H
SERMON BEERMAT EXODERM
O A U B O D I H G T S I
RIVERMOUTH ERMINE THERM
T E S O E T U T O U I
SILVERMINE CHAMBERMUSIC

Pelikan Toledo
Helen C. Hughes, Esher, Surrey

Pelikan Souveräns
Mrs J. Butterworth, Oxford.
G.D. Foster, Grimsby, Yorks
Hally Hardie, St Ives, Cambridgeshire.
Jeff Hosler, Vernham Street, Hants
David Rowlands, Bucknell, Shropshire

Chess No, 1003

1 . . . Rb8? 2 Be7+! Kxe7 3 Rc7+ Kf8 4 Qh6+ Ke8 5 Qe6+ and mates. If 3 . . . Kf6 4 Rf1+ Kg5 5 Rg7+ Bg6 6 Rf5 mate.

TELEVISION

SATURDAY

BBC1

7.25 News. 7.30 Walking the Dog. 7.50 Peter Pan and the Pirates. 8.15 Chuckievision. 8.35 The Racoons. 9.00 Live and Kicking.

12.12 **Weather.**
12.15 **Grandstand.** Introduced by Steve Rider. 12.20 Football Focus: Previews of key games in the FA Cup third round. 12.55 Racing from Haydock Park: The 1.00 New Year Handicap Chase. 1.10 News. 1.15 Ice Skating: The British Ice Dance Championships from Sheffield Arena. 1.25 Racing: The 1.30 Northern Handicap Hurdle. 1.40 Skiing: The Men's Downhill Championship from Saalbach-Hinterglemm in Austria. 1.55 Racing: The 2.00 Mitsubishi Shogun Newton Chase. 2.10 Rugby League: The second semi-final in the Regal Trophy. 3.50 Football Half-Times. 4.00 Ice Skating. 4.40 Final Score. Times may vary.
5.15 **News.**
5.25 **Regional News and Sport.**
5.30 **Dad's Army.** Classic wartime comedy, starring Arthur Lowe and John Le Mesurier.
6.00 **Noel's House Party.** Actor Tony Britton drops in to see Noel, England cricketer Robin Smith tries to Grab a Grand, and TV presenter Angela Rippon learns to ski en route to winning a Gotcha Oscar.
7.00 **The New Adventures of Superman.** Action-packed caper, starring Dean Cain as the man of steel. Mild-mannered reporter Clark Kent discovers crimelord Lex Luthor is planning to sabotage the world's first orbiting space station – will he be able to save the day as his heroic alter ego, Superman?
8.15 **Big Break.** Snooker professionals John Parrott, Oliver King and David Roe join Jim Davidson to help contestants win star prizes.
8.45 **Casualty.** A hit-and-run driver is forced to face the consequences of her actions when she is confronted by her victim in casualty, and two rival graffiti artists are led into danger while attempting to outdo one another. Hospital drama, starring Derek Thompson, Clive Mantle and Suzanna Hamilton.
9.35 **That's Life!**
10.20 **News and Sport; Weather.**
10.40 **Match of the Day: The Road to Wembley.** The third round of the FA Cup.
11.50 **Film: Code Name: Emerald.** Second world war spy adventure, starring Ed Harris and Max Von Sydow (1985).
1.20 **Weather.**
1.25 **Close.**

BBC2

8.15 Open University. 9.55 Hanseatic Age. 10.25 Dhoop Kinarey. (English subtitles). 11.05 Bollywood or Bust! 11.35 Chanakya.(English subtitles).

12.15 **Film: Johnny Guitar.** Offbeat Western about the conflict between the proprietress of a gambling joint and a lady banker. Joan Crawford and Mercedes McCambridge star (1954).
2.00 **Civilisation.** Sir Kenneth Clark traces the rise of humanitarianism in the modern world. Last in series.
2.50 **Top Gear Take Two.** The history of Maserati, one of the greatest names in motoring alongside the likes of Ferrari and Bentley.
3.00 **Film: Now, Voyager.** Vintage romance, starring Bette Davis as a nervous and frustrated spinster who undergoes a transformation and embarks on an affair with a married man (1942).
4.55 **Darts: The World Championship.** The final of the tournament from the Lakeside Country Club in Surrey.
7.20 **The Beast of Bodmin.** Investigation into the rumours concerning the existence of a big cat roaming the wilds of south-west England.
7.50 **News and Sport; Weather.**
8.05 **From the House of the Dead.** Leos Janacek's three-act opera about the inmates of a 19th century Siberian prison camp, based on Dostoevsky's diary of his own years as a political detainee. The cast includes Nicolai Ghiaurov, Elzbieta Szmytka, Barry McCauley, Alexander Oliver, Bojidar Nikolov, Richard Novak, Monte Pederson, Josef Veverka, Philip Langridge, Pavel Kamas and Walter Zeh. Music by the new Vienna State Opera Chorus and the Vienna Philharmonic Orchestra, conducted by Claudio Abbado.
9.25 **Film: Mad Max.** Mel Gibson stars in this cult futuristic adventure as a cop who tires of the constant battle to keep the roads safe from suicidally daring drivers, only to be forced out of his self-imposed retirement when a crazed motorcycle gang murder his wife and child (1979).
11.05 **Film: Akira.** Feature-length SF animation set in 21st century Japan, where gangs terrorise the city and a sinister government experiment is poised to go horribly wrong (1988). (English subtitles).
1.05 **Later with Jools Holland.** Relaxed, late-night music show, featuring gospel tunes from the Minneapolis Sounds of Blackness, indie rock with P.J. Harvey, and Seattle rockers Alice in Chains.
1.55 **Close.**

LWT

6.00 GMTV. 9.25 What's Up Doc? 11.30 The ITV Chart Show. 12.30 pm Movies, Games and Videos.

1.00 **ITN News; Weather.**
1.05 **London Today; Weather.**
1.10 **NBA Basketball.** The game of the week, and highlights from the rest of the league.
2.10 **Life Goes On.** Pilot episode of the American comedy, starring Bill Smitrovich.
3.05 **Film: Carry On Constable.** Sid James heads the cast in an early entry to this long-running series as new students at a police training college experience various mishaps (1959).
4.40 **ITN News and Results; Weather.**
4.55 **London Tonight and Sport; Weather.**
5.15 **Cartoon Time.**
5.30 **Catchphrase.** Roy Walker hosts the computerised quiz.
6.00 **Blind Date.** Cilla Black plays matchmaker to more couples.
7.00 **Barrymore.** New series. Return of the award-winning series in which Michael Barrymore invites exhibitionists among the general public to demonstrate their talents on stage.
8.00 **Murder, She Wrote.** Jessica becomes reluctantly involved in the big-money fight game while trying to uncover the truth behind the killing of a devious boxing manager - a murder which has been pinned on her friend Harry. Angela Lansbury stars, with Jerry Orbach, Ernest Borgnine and LeVar Burton.
9.20 **ITN News; Weather.**
9.30 **London Weather.**
9.35 **Film: Dirty Dancing.** Patrick Swayze stars in the role that launched him to fame, as a dance instructor at a 1960s resort hotel who teaches naive 17-year-old Jennifer Grey about life, love and strutting her stuff. Lightweight dance 'n' romance caper, with Jerry Orbach and Cynthia Rhodes, and featuring the Oscar-winning song, (I've Had) the Time of My Life (1987).
11.25 **Film: Dead Run.** Romantic thriller about a pair of fugitives who escape their pursuers and start a new life together. Robert Urich and Michael Beck star (TVM 1991).
1.10 **The Big E.**
2.05 **Get Stuffed; ITN News Headlines.**
2.10 **New Music.**
3.10 **Travel Trails.**
3.40 **Get Stuffed; ITN News Headlines.**
3.45 **European Nine-Ball Pool Masters.**
4.45 **BPM.; Night Shift.**

CHANNEL4

6.00 4-Tel on View. 6.30 Early Morning. 9.45 The American Football Big Match. 11.00 Gazzetta Football Italia. 12.00 Sporting Years to Remember. 12.30 pm Safe TV.

1.05 **Racing from Sandown Park and Leopardstown.** From Sandown Park: The 1.20 Oriental Handicap, 1.50 Baring Securities Tolworth Hurdle, 2.25 Baring Fund Managers Novices' Chase, and the 2.55 Mildmay, Cazalet Memorial Handicap Chase. From Leopardstown: The 2.40 The Ladbroke Handicap Hurdle.
3.20 **Film: Flamingo Road.** A carnival dancer (Joan Crawford) is incarcerated by the political allies of the man she loves. Eventually released, she thirsts for revenge against the corrupt officials who put her behind bars. Powerful melodrama, co-starring Zachary Scott and Sidney Greenstreet (1949).
5.05 **Brookside.; News Summary.**
6.30 **Right to Reply.** Jon Snow presides as viewers tackle the programme-makers.
7.00 **Zoo.** Acclaimed documentary-maker Fred Wiseman takes his cameras behind the scenes of Miami Metrozoo to provide an insight into the urban home of more than 2,800 animals, ranging from Asian elephants and Indian rhinoceros to Cape buffalo and Grevy's zebra. The film details the work and research that goes into the facility, proving that although most people have visited a zoo sometime in their lives, few realise the enormous costs and complexities involved in maintaining them.
9.25 **Film: Julia.** Fred Zinnemann's Oscar-winning drama chronicling the friendship between two women and the devastating effect on their lives when the Nazis rise to power in the 1930s. Based on a true story, starring Vanessa Redgrave, Jane Fonda, Jason Robards, Maximilian Schell and Meryl Streep in her big-screen debut (1977).
11.35 **Broadway Stories.** Mike McShane narrates Damon Runyon's tale of a fugitive who tries to escape justice at the hands of an angry mob by invading the mysterious house of an elderly lady - a strange woman who owns all the potatoes in the world.
12.15 **Film: Secret Ceremony.** Melodrama, starring Elizabeth Taylor as a prostitute who takes a young woman (Mia Farrow) under her wing. With Robert Mitchum (1968).
2.15 **Herman's Head.**
2.45 **The Word.**
3.45 **Close.**

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA: 1.05 Anglia News. 1.10 The Munsters Today. 1.35 Treasure of Matecumbe. (1976) 3.45 Knight Rider. 4.55 Anglia News and Sport 9.30 Anglia Weather.

BORDER: 1.05 Border News. 1.10 Love Among Thieves. (TVM 1987) 2.55 The A-Team. 3.50 Cartoon. 3.55 Superstars of Wrestling. 4.55 Border News and Weather

CENTRAL: 12.30 America's Top 10. 1.05 Central News 1.10 COPS. 1.35 Movies, Games and Videos. 2.05 Rocksport. 2.25 The Munsters Today. 2.55 Warlords of Atlantis. (1972) 4.55 Central News 5.00 Dinosaurs. 9.30 Local Weather.

CHANNEL: 12.30 Heidi. 1.03 Channel Weather. 1.05 Channel Diary. 1.10 Wet and Wild. 1.40 NBA Basketball. 2.40 Cartoon. 3.00 Carry On Cruising. (1962) 5.00 Channel News. 5.05 Puffin's Pla(i)ce.

GRAMPIAN: 12.30 Monadh Ard (Moonacre). 1.05 Grampian Headlines 1.10 Telefios. 1.40 Speaking Our Language. 2.10 Nine Hours to Rama. (1962) 4.55 Grampian Headlines 5.00 Grampian News Review. 9.30 Grampian Weather.

GRANADA: 1.05 Granada News 1.10 Love Among Thieves. (TVM 1987) 2.55 The A-Team. 3.50 Cartoon. 3.55 Superstars of Wrestling. 4.55 Granada News 5.00 Bugs Bunny Mystery Special.

HTV: 12.30 The Littlest Hobo. 1.05 HTV News. 1.10 A Piano for Mrs Cimino. (1982) 3.00 Cartoon Time. 3.15 Movies, Games and Videos. 3.45 The A-Team. 4.55 HTV News and Sport 5.05 Cartoon Time. 5.10 HTV Weather. 9.30 HTV Weather.

HTV Wales as HTV except: No variations.

MERIDIAN: 12.30 Heidi. 1.05 Meridian News. 1.10 Wet and Wild. 1.40 NBA Basketball. 2.40 Cartoon. 3.00 Carry On Cruising. (1962) 4.55 Meridian News.

SCOTTISH: 12.30 Scotsport Extra Time. 1.05 Scotland Today. 1.10 Telefios. 1.40 Speaking Our Language. 2.10 For the Love of Mike. (1960) 3.45 The A-Team. 4.55 Cartoon. 5.00 Scotland Today

TYNE TEES: 1.05 Tyne Tees News. 1.10 Express to Terror. (1979) 2.55 Knight Rider. 4.55 Tyne Tees Saturday

ULSTER: 12.30 Blockbusters. 1.05 UTV Live Lunchtime News 1.10 Saturday Sport. 1.20 Movies, Games and Videos. 1.50 The Munsters Today. 2.20 Get Smart, Again! (TVM 1989) 3.55 WCW Worldwide Wrestling. 4.55 UTV Live Early Evening News 5.00 Saturday Sport. 9.30 UTV Live News

WESTCOUNTRY: 1.05 Westcountry Weekend Latest. 2.10 Sounder. (1972) 4.10 On the Grid. 4.55 Westcountry Weekend Latest.

YORKSHIRE: 1.05 Calendar News. 1.10 Express to Terror. (1979) 2.55 Knight Rider. 4.55 Calendar News.

S4C Wales as Channel 4 except:- 7.00 Early Morning. 12.00 Hot Water. (1924) 6.30 Cwlwm Serch. 7.00 Jacpot. 7.30 Traed Oer. 8.00 Tocyn Tymor. 9.00 Llygaid Sgwar. 9.15 Newyddion. 9.30 Harry Connick Jnr. 10.30 Straight Out of Brooklyn. (1991)

SUNDAY

BBC1

7.05 Match of the Day. 8.15 Breakfast with Frost. 9.15 Glimpses of God. 9.30 This is the Day. 10.00 See Hear! 10.30 Channel Hopping. 11.00 Careering Ahead. 11.30 Spain on a Plate.

12.00 **Family Affairs.** The joys and heartaches of domestic life, including advice for parents who have discovered their child is gay.
12.30 **CountryFile.** Shiulie Ghosh investigates claims that the expansion of airports is ruining the countryside.
12.55 **Weather for the Week Ahead.**
1.00 **News.**
1.03 **On the Record.** John Humphrys presents political analysis and discussion.
2.00 **EastEnders.**
3.00 **Match of the Day: The Road to Wembley.** Sheffield United v Manchester United. Live coverage of the FA Cup third-round tie.
5.00 **Smokescreen.** Children's comedy drama, starring Sally Walsh and Timothy West.
5.25 **Antiques Roadshow.** The team visits Barrow-in-Furness to appraise more curios, including Himalayan Buddhist bronzes.
6.10 **News.**
6.25 **Songs of Praise.** Pam Rhodes reviews the history of Carrickfergus in Northern Ireland.
7.00 **As Time Goes By.** Lionel's father (Frank Middlemass) decides to wed – but will it really be the happiest day of his life? Comedy, with Geoffrey Palmer and Judi Dench.
7.30 **The House of Eliott.** The sisters decide that the future of the company might depend on accepting Larry Cotter's proposed merger.
8.25 **So Haunt Me.** Peter is able to see resident ghost Yetta for the first time, and faces a dilemma at his new job. Comedy, starring George Costigan and Miriam Karlin.
8.55 **News and Weather.**
9.10 **Film: When Harry Met Sally.** Romantic comedy about the long relationship between Billy Crystal and Meg Ryan who do not realise that they are destined for each other. Director Rob Reiner and writer Nora Ephron contrive a passable imitation of Woody Allen while aiming squarely at the broadest possible market (1989).
10.45 **Everyman.** Eight Oxfam volunteers visit India to see how money raised by the charity is spent.
11.25 **Poor Dear.** Three films about disability charities.
11.55 **The Sky at Night.**
12.15 **Weather.**
12.20 **Close.**

BBC2

7.25 Tales of a Wise King and the Devil. 7.30 Playdays. 7.50 Wishing. 8.00 Telling Tales. 8.15 The All New Popeye Show. 8.35 Blue Peter. 9.00 Draw Me. 9.15 Simon and the Witch. 9.30 The Animals of Farthing Wood. 10.00 TimeBusters. 10.25 Grange Hill. 10.55 As Seen on TV. 11.20 Maid Marian and Her Merry Men. 11.45 The O-Zone. 12.00 Dr Who: The Green Death. 12.25 pm The Fugitive. 1.15 The Phil Silvers Show.

1.40 **Tapoori.** The lives of two Bombay street boys who struggle to survive by courage, adaptability and hard work.
2.10 **Myrna Loy: So Nice to Come Home To.** Star-studded celebration of one of Hollywood's favourite leading ladies.
3.00 **Film: The Muppets Take Manhattan.** Kermit, Miss Piggy, Fozzie Bear and the other furry puppets take Broadway by storm with the help of Liza Minnelli, Art Carney, Gregory Hines and Joan Rivers (1984).
4.30 **Ski Sunday.** Highlights from the men's slalom at Kranjska Gora, and the women's super-giant slalom at Altenmarkt, Austria.
5.10 **Rugby Special.** Chris Rea presents coverage of the clash between Leicester and Northampton.
6.10 **Nomads of the Wind.** New series. Five programmes about the pioneering Polynesians who colonised the Pacific and finally settled on Tahiti.
7.00 **The Money Programme.** After 30 years at the head of Lonrho Plc, businessman Tiny Rowland has acquired a reputation for ruthlessness and determination. Tessa Curtis investigates whether he will ever be prepared to hand over control of the company to his chosen successor, the equally enigmatic German property developer Dieter Bock.
7.40 **The Lost Steptoes.** Archive episode of the 1970s sitcom.
8.10 **Dear Bill.** Profile of former Cabinet minister and Fleet Street editor Bill Deedes, who at the age of 80 still works full time as The Daily Telegraph's most popular columnist.
9.00 **Comic Asides.** Four comedy films, beginning with The High Life, written by and starring Alan Cumming and Forbes Masson as bored airline stewards.
9.30 **Auction.** Sotheby's staff arrange a house clearance for a doctor in Sussex.
10.00 **The 1994 London International Boat Show.** A report from Earl's Court.
10.45 **Film: Running on Empty.** Powerful drama, starring River Phoenix, Judd Hirsch and Christine Lahti (1989).
1.00 **Close.**

LWT

6.00 GMTV. 9.25 The Disney Club. 10.15 Link. 10.30 This Sunday. 12.30 pm Crosstalk; Weather.

1.00 **ITN News; Weather.**
1.10 **Film: Parent Trap IV: Hawaiian Honeymoon.** Newlyweds take over a dilapidated hotel where an angry guest threatens to sue for a small fortune. Disney comedy, starring Hayley Mills and Barry Bostwick (1989).
2.40 **Film: Yanks.** Drama about Second World War romances between American GIs and British women in a Lancashire town. Richard Gere and Vanessa Redgrave star (1979).
5.05 **Father Dowling Investigates.** The Catholic Crimebuster and Sister Steve discover a major hospital is involved in multiple murders.
6.00 **London Tonight; Weather.**
6.20 **ITN News; Weather.**
6.30 **Film: Honey, I Shrunk the Kids.** Disney comedy premiere, starring Rick Moranis as a professor who develops a ray which accidentally reduces his children to microscopic size (1989).
8.15 **A Touch of Frost.** New series. David Jason returns as unorthodox DI Jack Frost. In the first of four two-hour episodes, he investigates the death of a police informer on an estate fraught with racial tension. With Bruce Alexander, Lennie James and Neil Phillips.
10.15 **Michael Winner's True Crimes.** New series. The murder of a Welsh school teacher who was on a cycling holiday in Compiegne, France. With no apparent motive or clues to the killing – except a moccasin found in a cornfield – French police are led on a bizarre trail to the culprit.
10.45 **ITN News; Weather.**
10.55 **London Weather.**
11.00 **Tracey Ullman Takes on New York.** The Emmy award-winning comedy actress stars in a triple bill of short films chronicling the misadventures of three couples visiting New York for the weekend.
12.00 **Sail the World.**
12.30 **The US Women's Challenge.**
1.00 **Cue the Music.**
2.00 **Get Stuffed; ITN News Headlines.**
2.05 **War of the Worlds.**
2.55 **Get Stuffed; ITN News Headlines.**
3.00 **Film: Choice of Arms.** An elderly gangster's life is shattered by the arrival of an antagonistic young punk. Gritty drama, starring Yves Montand and Gerard Depardieu (1981).

CHANNEL4

6.00 Early Morning. 9.30 Dennis. 9.45 Dog City. 10.15 Saved by the Bell. 10.45 Planet of the Apes. 11.45 Little House on the Prairie. 12.45 pm Bush Tucker Man.

1.15 **Football Italia.** Live action from Sampdoria v Napoli.
3.30 **Film: Father's Doing Fine.** Madcap farce adapted from a successful stage show about an impoverished woman struggling to control her daughters. Richard Attenborough and Heather Thatcher star (1952).
5.00 **When I'm Rich.** Animated daydreams.
5.10 **News Summary; Weather.**
5.15 **High Interest: Sunshine State of Florida.** In spite of a booming economy, Florida has recently seen a shocking growth in crime. Producer Peter Swain's film contrasts the success stories of Disneyworld, NASA and the film and fashion industries with the darker side of drug trafficking and money laundering. Does the latter threaten to undermine the state's popularity with tourists?
6.00 **Moviewatch.** Reviews of Carlito's Way, starring Al Pacino, and Undercover Blues.
6.30 **The Cosby Show.**
7.00 **Return to Everest.** Six original members of the British expedition that conquered Everest 40 years ago, including Lord Hunt, Sir Edmund Hillary and George Lowe, return for a special reunion to celebrate their achievement. The film illustrates some of the problems faced by the first pioneers and the particular characteristics needed to be a successful Himalayan climber.
8.00 **Film: South Pacific.** A young nurse falls in love with a French planter on an American-held island during second world war, but when she learns of his past he decides to leave on a perilous mission with a US Navy officer. Lavish musical based on the Rodgers and Hammerstein Broadway hit, starring Mitzi Gaynor, Rosanno Brazzi and John Kerr (1958).
10.45 **The Road to Super Bowl.** Highlights from one of the AFC or NFC wild-card games.
12.50 **Film: Ake and his World.** Swedish drama set in a rural village community where a young boy (Martin Lindstrom) comes to terms with fantasies inspired by his bizarre neighbours (1984).
2.35 **Close.**

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA: 12.30 The Littlest Hobo. 12.55 Anglia News. 1.10 Short Walk to Daylight. (TVM 1972) 2.30 Wish You Were Here? 3.00 Tobruk. (1967) 5.00 Bullseye. 5.30 Animal Country. 6.15 Anglia News on Sunday

BORDER: 12.30 Gardening Time. 12.55 Border News. 1.10 Lefty. 2.00 Lost Flight. (TVM 1969) 4.00 Coronation Street. 5.00 Scotsport. 6.15 Border News.

CENTRAL: 12.30 Central Newsweek. 12.55 Central News 1.10 Cartoon Time. 1.30 All Hands on Deck. (1961) 3.25 Don't Look Now, We're Being Shot At. (1966) 5.45 Bullseye. 6.15 Central News. 10.55 Local Weather.

CHANNEL: 12.30 Reflections. 12.35 Rendez-Vous Dimanche. 12.50 Telejornal. 1.10 Sail the World. 1.40 Swiss Family Robinson. (1960) 4.00 Highway to Heaven. 5.00 Cartoon. 5.15 Wish You Were Here? 5.45 Animal Country. 6.15 Channel News.

GRAMPIAN: 11.00 Sunday Service. 11.45 Eikon. 12.00 This Sunday. 12.30 Gardener's Diary. 12.55 Grampian Headlines. 1.10 Movies, Games and Videos. 1.40 Swiss Family Robinson. (1960) 4.00 Highway to Heaven. 5.00 Scotsport. 6.00 Famous for Fifteen. 6.15 Grampian Headlines 10.55 Grampian Weather.

GRANADA: 12.25 The Entertainers. 12.55 Granada News 1.10 Lefty. 2.00 Animal Country. 2.30 Murder, She Wrote. 3.25 Doctor at Sea. (1955) 5.15 Coronation Street. 6.15 Granada News

HTV: 12.25 An Invitation to Remember. 12.55 HTV News. 1.10 HTV Newsweek. 1.40 Sail the World. 2.10 Championship Rugby. 3.10 Oliver Twist. (TVM 1983) 5.05 Cartoon Time. 5.15 The Great Song. 5.45 Journeyman. 6.15 HTV News. 10.55 HTV Weather.

MERIDIAN: 12.30 Seven Days. 12.50 Meridian News. 1.10 Sail the World. 1.40 Swiss Family Robinson. (1960) 4.00 Highway to Heaven. 5.00 Cartoon. 5.15 Wish You Were Here? 5.45 Animal Country. 6.15 Meridian News.

SCOTTISH: 11.00 Sunday Service. 11.45 Eikon. 12.00 This Sunday. 12.30 Wemyss Bay 902101. 12.55 Scotland Today. 1.10 From Russia With Love. (1963) 3.15 Movies, Games and Videos. 3.45 Stuntmasters. 4.30 Border Raid. 5.00 Scotsport. 6.15 Scotland Today

TYNE TEES: 12.25 Newsweek. 1.10 Lefty. 2.00 Highway to Heaven. 2.55 Sky West and Crooked. (1965) 4.50 The 1993 World Professional Latin Dance Championship. 5.50 Tyne Tees Weekend.

ULSTER: 12.25 Gardening Time. 12.55 UTV Live News 1.10 The Adventures of Bullwhip Griffin. (1967) 3.10 Bon Voyage. 3.40 Police Six. 3.50 Carly's Web. (1987) 5.40 Bullseye. 6.10 Witness. 6.15 UTV Live Early Evening News

WESTCOUNTRY: 12.30 Westcountry Update. 12.55 Westcountry Weekend Latest. 1.10 Sail the World. 1.40 The Music Man. (1962) 4.20 Roadrunner. 4.50 Getaways. 5.20 Highway to Heaven. 6.15 Westcountry Weekend Latest.

YORKSHIRE: 12.25 The Littlest Hobo. 12.50 Calendar News. 1.10 Lefty. 2.00 Highway to Heaven. 2.55 Sky West and Crooked. (1965) 4.50 The 1993 World Professional Latin Dance Championship. 5.50 Calendar

RADIO

SATURDAY

BBC RADIO 2

6.00 Sujata Barot. 8.05 Brian Matthew. 10.00 Sally O'Sullivan. 12.00 Hayes on Saturday. 1.30 An Actor's Life for Me. 2.00 Ronnie Hilton. 3.00 Steve Race. 4.00 Happily Ever After? 5.00 Cinema 2. 5.30 Nick Barraclough. 6.00 Barbara Cook. 7.00 Thicker Than Water. 7.30 By Arrangement. 9.30 David Jacobs. 10.00 The Arts Programme. 12.05 Ronnie Hilton. 1.00 Charles Nove. 4.00 Sujata Barot.

BBC RADIO 3

6.35 Open University: Countdown to Trig.
6.55 Weather.
7.00 Record Review.
9.00 Building a Library.
10.10 Record Release.
12.00 Spirit of the Age.
1.00 News.
1.05 Selected Poets.
1.20 The Fine Song.
2.05 Chamber Music From Bristol. New series. Weber and Brahms.
3.00 Vintage Years. New series. Holst, Parry, Elgar, Mozart, Mahler, Brahms.
5.00 Jazz Record Requests.
5.45 Music Matters.
6.30 Live from the Met. Puccini's Madame Butterfly. Sung in Italian.
9.20 Studio Three: Bar Valentino. Play about the complexity of human relationships.
9.55 All the Music's a Stage. Ibert and Thomas.
10.15 Outside in Festival. New series. Music recorded at the 1993 Festival in Crawley.
12.30 News.
12.35 Close.

BBC RADIO 4

6.00 News.
6.10 The Farming Week.
6.50 Prayer for the Day.
7.00 Today.
9.00 News.
9.05 Sport on 4.
9.30 Breakaway. Holiday and travel programme.
10.00 Loose Ends.
11.00 Talking Politics.
11.30 From Our Own Correspondent.
12.00 Money Box.
12.25 Just a Minute.
1.00 News.
1.10 Any Questions? With David Green and Charles Kennedy MP.
2.00 Any Answers? 071-580 4444. Phone-in response programme.
2.30 Playhouse. The Five Bears, by John Peacock.
4.00 Erin Through the Mists of Time. The birth of Ireland.
4.30 Science Now.
5.40 View from the Fish Queue. Phil Smith views life and current affairs from the fish queue in the local market.
6.00 News and Sports
6.25 Week Ending.
6.50 The Locker Room. Tom Robinson presents.
7.20 Kaleidoscope. With Rolling Stone Charlie Watts.
7.50 Saturday Night Theatre: The Riddle of the Sands. By Erskine Childers.
9.20 Music In Mind.
9.50 Ten to Ten.
10.00 News.
10.15 Quote Unquote.
10.45 Famous for 15 Minutes.
11.00 Mirrored In Music.
11.30 Fear on Four. The Next in Line, by Ray Bradbury.
12.00 News.
12.33 Shipping Forecast.
12.43 (FM) Close.
12.43 (LW) As World Service.

BBC RADIO 5

6.00 World Service.
6.30 Weekend Edition.
9.30 Get Set.
10.30 Secret Agent X-9.
11.00 Go!
12.00 Sport on 4 Plus 1.
12.30 Sportscall.
1.30 Sport on Five.
6.05 Six-O-Six.
7.30 Afropop Worldwide.
8.30 Le Top.
9.30 The Green Hornet.
10.10 The Way Out.
12.00 Close.

WORLD SERVICE

BBC for Europe can be received in western Europe on medium wave 648 kHZ (463m) at these times GMT: 6.00 News; British News; The World Today. 6.30 Europe Today. 7.00 News. 7.30 People and Politics. 8.00 News; Words of Faith; A Jolly Good Show. 9.00 News; Business Report; Worldbrief. 9.30 Personal View. 9.45 Sports. 10.00 Printer's Devil. 10.01 Jazz Now and Then. 10.15 Letter From America. 10.30 Waveguide. 10.40 Book Choice. 10.45 From the Weeklies. 11.00 News. 11.30 BBC English. 11.45 Mittagsmagazin: News in German. 12.00 News; Words of Faith; Multitrack Three. 12.45 Sports. 1.00 Newshour. 2.00 News; John Peel. 2.30 Sportsworld. 3.00 News; Sportsworld. 4.00 News; British News; BBC English. 4.30 News Aktuell. 5.00 News; Sportsworld. 5.30 BBC English. 6.00 News. 6.30 Heute Aktuell. 7.00 Nachrichten. 7.05 Weekend Feature. 8.00 News; Words of Faith; Personal View; Jazz For The Asking. 9.00 Newshour. 10.00 News; British News; Meridian. 10.45 Sports. 11.00 News; Words of Faith; Book Choice. 12.00 News. 12.30 The John Dunn Show. 1.00 News. 1.01 Play of the Week: Stages. 2.00 News. 2.30 The Untouchables. 3.00 News; British News; Sports. 3.30 From Our Own Correspondent. 3.50 Write On. 4.00 News; Bright Moon of the Seasons. 4.30 BBC English. 4.45 News and Press Review in German.

SUNDAY

BBC RADIO 2

7.00 Don Maclean. 9.05 Michael Aspel. 10.30 Hayes on Sunday. 12.00 Desmond Carrington. 2.00 Benny Green. 3.00 Alan Dell. 4.00 Stars of the 50s. 4.30 Sing Something Simple. 5.00 Charlie Chester. 7.00 Richard Baker. 8.30 Sunday Half Hour. 9.00 Alan Keith. 10.00 The Arts Programme. 12.05 Charles Nove. 3.00 Alex Lester.

BBC RADIO 3

6.55 Weather.
7.00 Sacred and Profane. Locke, Holst, Brahms, Frank Martin, Smetana.
9.00 Brian Kay's Sunday Morning.
12.15 Music Matters. The problems of tinnitus for musicians.
1.00 News.
1.05 From the Proms 1993. Delius, Ireland, Elgar.
2.35 Haydn and Webern.
4.00 The BBC Orchestras. Michael Torke, John Cage, Steve Reich.
5.30 All the Music's a Stage. Musical settings of Shakespeare.
5.45 Making Waves. Arts news and reviews.
6.30 Bach.
7.30 Sunday Play: Luther. By John Osborne. Part of the Osborne Season on Radios 3 and 4.
10.00 Music In Our Time. Michael Nyman.
11.35 Choir Works. Stravinsky.
12.30 News.
12.35 Close.

BBC RADIO 4

6.00 News.
6.10 Prelude.
6.30 Morning Has Broken. From St John the Baptist Parish Church, Burford.
7.00 News.
7.10 Sunday Papers.
7.15 On Your Farm. Farming life in Scotland.
7.40 Sunday.
8.50 Dame Judi Dench speaks on behalf of a cathedral restoration charity.
9.00 News.
9.10 Sunday Papers.
9.15 Letter from America.
9.30 Morning Service.
10.15 The Archers.
11.15 Mediumwave.
11.45 Four Corners.
12.15 Desert Island Discs. With Ian Hislop.
1.00 The World This Weekend.
2.00 Gardeners' Question Time
2.30 Classic Serial: Waverley. Sir Walter Scott's classic novel.
3.30 Pick of the Week.
4.15 Inside the New Civil Service.
5.00 Bel Mooney's Somerset Winter. Last in series.
5.30 Poetry Please!
6.00 News.
6.15 Keeping the Faith.
6.30 Goodbye. Songs about saying farewell.
7.00 The Parts. Medical technology.
7.30 Eureka. Artificial intelligence.
8.00 Dangerous to Know. By Michael and Melissa Bakewell.
8.30 Believing in Britain.
9.00 The Natural History Programme.
9.30 Special Assignment.
10.00 News.
10.15 A Passion for Priests.
11.00 Masterbrain.
11.30 Seeds of Faith.
12.00 News.
12.33 Shipping Forecast.
12.43 (FM) Close.
12.43 (LW) As World Service.

BBC RADIO 5

6.00 World Service.
6.30 Weekend Edition.
9.30 Captain Kidd and the First Fifteen.
10.00 Johnnie Walker.
11.30 Fantasy Football League.
12.30 Simon Fanshawe's Sunday Brunch.
2.00 A Century Remembered.
2.30 Over the Moon, Sick as a Parrot.
3.00 Sunday Sport.
6.00 Labour of Love.
6.30 Education Matters.
7.15 A Family Learns Spanish.
7.45 Italianissimo II.
8.15 Language Live.
9.30 Hair in the Gate.
10.10 Across the Line.
12.00 Close.

WORLD SERVICE

BBC for Europe can be received in western Europe on medium wave 648 kHZ (463m) at these times GMT: 6.00 News; British News; Letter From America. 6.30 Jazz For The Asking. 7.00 News. 7.30 From Our Own Correspondent. 7.50 Write On. 8.00 News; Words of Faith; Ray On Record. 9.00 News; World Business Review. 9.15 Short Story. 9.30 Folk Routes. 9.45 Sports. 10.00 News; Science In Action. 10.30 In Praise of God. 11.00 News. 11.30 BBC English. 11.45 News and Press Review in German. 12.00 News; Play of the Week: Stages. 1.00 Newshour. 2.00 News; Heritage. 2.30 Anything Goes. 3.00 News; Concert Hall. 4.00 News; British News; BBC English. 4.30 News in German. 5.00 News; World Business Review; BBC English. 6.00 News. 6.30 News in German. 8.00 News; Words of Faith; Folk Routes. 8.30 Europe Today. 9.00 Newshour. 10.00 News; British News; Meridian. 10.45 Sports. 11.00 News; World Business Review; Ray On Record. 12.00 News. 12.30 In Praise Of God. 1.00 News; Opera. 1.45 Sharp Talents. 2.00 News. 2.30 Composer Of The Month: Prokofiev. 3.00 News; British News; Sports. 3.30 Anything Goes. 4.00 News; Unconsidered Trifles. 4.30 BBC English. 4.45 News and Press Review in German.

CHESS

Michael Adams' growing reputation was confirmed last week when the 22-year-old from Truro, Cornwall, shared first place in the Professional Chess Association qualifier at Groningen, one of the strongest tournmaments ever held.

Adams and India's world number three, Vishy Anand scored 7½/11 and won $35,000 each. They were half a point ahead of Kamsky and Gulko (US), Kramnik and Tiviakov (Russia) and Romanishin (Ukraine). These seven join Nigel Short in the PCA quarter-finals, which lead to a 1995 challenge to Gary Kasparov.

Anand,23, Kamsky, 19, Kramnik, 18, and Adams are also still in the rival FIDE candidates series and thus established as the leaders of the new generation.

Adams' next hurdle is his FIDE match next week with Boris Gelfand, number one for Belarus. Although Gelfand has superior overall form, he has bad memories of earlier matches with Short in 1991 and Adams in the 1992 Tilburg final.

Adams can exploit this fragility under pressure, and I believe he will win the eight-game series. Here is his best game at Groningen.

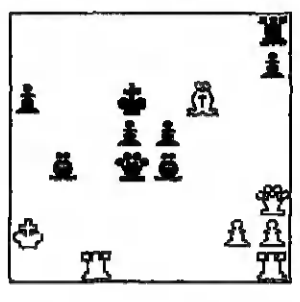
(K. Georgiev, White; M. Adams, Black).

1 e4 c6 2 d4 d5 3 Nc3 dxe4 4 Nxe4 Nd7 5 Bc4 Ngf6 6 Ng5 e6 7 Qe2 Nb6 8 Bd3 h6 9 N5f3 c5 10 dxc5 Bxc5 11 Bd2 0-0 12 0-0-0 Na4! A novelty created by the London GMs Hodgson and Watson, which gives Black improved counterplay in the normally cramped Caro-Kann Defence.

13 Bb5 Bd7 14 Bxd7 Qxd7 15 Nh3 Rac8 16 Kb1 Qc6 17 Bc1 Nd5 18 Qc4 Rfd8 19 Ka1? Encouraging Black's attack; better 19 Ne5.

b5 20 Qe4 Be7 21 c3 Qa6 22 Ne5 Bf6 23 Ng4 Naxc3! Winning by force. 24 bxc3 Bxc3+ 25 Bb2 Rc4 26 Qf3 Bxb2+ 27 Kxb2 Rc2+ 28 Kxc2 Qxa2+ 29 Kd3 Qc4+ 30 Resigns. If 30 Kd2 Nb4+ 31 Ke3/e1 Nc2 mate.

Chess No. 1003



L Gurevich v M. Hennigan, Hastings 1993-94. Black (to move) can win by Qf2+, but instead went 1 . . . Rb8 planning a quick mate. What did he miss?

Solution page XVIII

Leonard Barden

BRIDGE

My hand today comes from teams-of-four:

N
♠ 10 8 5
♥ A Q
♦ A K J 7
♣ A 9 7 5

W
♠ 7 6
♥ J 6 5 4 3
♦ 10 8
♣ Q J 10 2

E
♠ 2
♥ K 9 8 7
♦ Q 9 5 2
♣ K 6 4 3

S
♠ A K Q J 9 4 3
♥ 10 2
♦ 6 4 3
♣ 8

With neither side vulnerable, North dealt and bid one club. South replied one spade and North re-bid two diamonds. South said three spades. This jump in an already forcing situation shows a solid suit of at least six cards. North's raise to six spades closed the auction.

West opened with the club queen. Taking with dummy's ace, declarer drew trumps with ace and king, cashed the diamond ace and came to hand with a club ruff. He finessed the knave of diamonds, losing to the queen, won the club return, crossed to the spade 10 and cashed the diamond king. The suit did not break, so he ruffed a club and finessed the queen of hearts. One down.

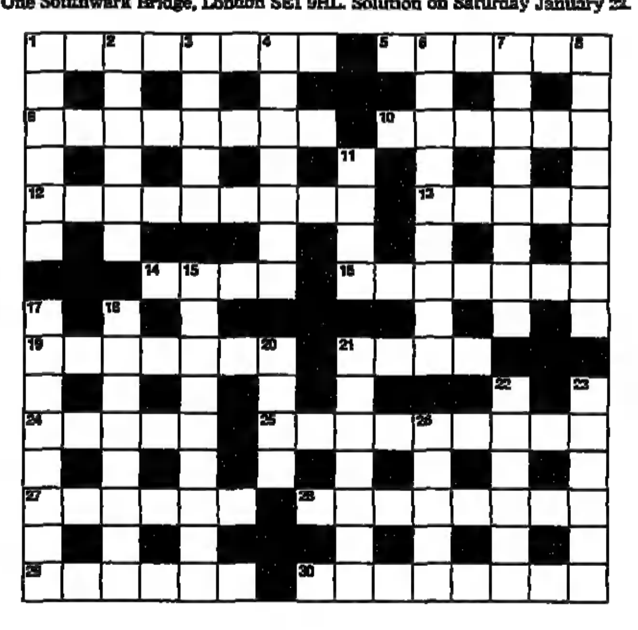
In room two South, also in six spades, showed better technique. At trick two he ruffed a club, crossed to the spade eight, ruffed another club, crossed to the spade 10, cashed diamond ace (dropping the eight from West) and ruffed dummy's last club. Both opponents followed. South led a diamond and covered West's 10 with the knave. East won and had to surrender the 12th trick by a red suit return into dummy's tenace. Excellent play.

E.P.C. Cotter

CROSSWORD

No. 8,348 Set by CINEPHILE

A prize of a classic Pelikan Souverän 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday January 19, marked Crossword 8,348 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday January 22.



Name..

Address..

ACROSS

1 Very inadequate way to summon back (8)
5 Standing way at the FT (6)
9 Need gear change if changing sides (8)
10 A second-class way out of Britain (6)
12 Way to transport Williams's desire (9)
13 French port in English, partly or wholly on sale (5)
14 Piece of love with exuded matter (4)
16 Leeward Island opposed to a month in reverse (7)
19 Stag eating half loaves at crop-gathering (7)
21 See 7
24 Dead-alive type from Australia backed doctor first (5)
25 A new rope way is a flier (9)
27 Way for a meeting-place (6)
28 Liberation for water-dweller, going back to words of opera (8)
29 Note: way to kitchen on board (6)
30 Way to get some cream with a perfume (8)

DOWN

1 Her pa's upset at part of sentence (6)
2 Occupation of run-up in part of golf course (6)
3 Bird that's very good at golf (5)
4 More than one exponent of mathematics, at home, divides into cubes (7)
6 Setting device forbidden and left on a hill (9)
7, 21 across Way to a complete diet? (12)
8 Church official takes teams to island (8)
11 A reason to be childless in the region (4)
15 Abundance of what's deep until altered (9)
17 Explosive shell causes pushy sort of kid to close noisily (4-4)
18 Protector of miserable worm in prisoner's room (8)
20 Gin to go up? (4)
21 Meaning of "arrière-pensée" reveals a stable character (7)
22 Sound of snake will be demoralising (6)
23 Information about wine (6)
26 Good at golf is capital (5)

Solution 8,347

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Solution and winners of the Christmas Crossword are on Page XVIII

Faith makes Durham fizz

***Hugh Dickinson** finds David Jenkins the most exciting and stimulating bishop*

The timing was perfect. Try putting a bomb under the angels and shepherds in July and it would not even make the Parish Mag. But here we are at Epiphany and all the world knows that a senior bishop of the Church of England has taken a pot shot at the three wise men. (These mysterious magi arrived at Bethlehem on Twelfth Night. Um, or didn't.)

The Durham affair has had a splendid run. It was headline news for two days in both BBC and ITN The Radio 4 programme, *The Moral Maze*, devoted a whole bad-tempered hour to it. MPs and peers pontificated disapprovingly. Fellow Bishops sighed. Evangelical clerics railed. The tabloids and the broadsheets devoted column after column to it. Leader writers said the faithless Bishop was a prime cause of the loss of nerve and decline in the Church of England.

It is odd that no-one defended David Jenkins. Very odd indeed. For I have frequently sat in packed halls and churches listening to him hold his audiences enthralled.

Let me state boldly that he is the most exciting, stimulating and faith-enhancing Bishop on the Bench. Who was it who held a sixth-form conference of 300 young people spellbound for an hour after their allotted period was supposed to be over? Who was it who (so the rumour goes) brought the House of Bishops to their feet in a standing ovation after an impassioned speech about faith? Who has had the courage and integrity to share with Christian lay-people the conclusions of a century of Christian scholarship which are taught as a matter of course to the majority of theology students?

Right. David Jenkins.

Here in Salisbury (hardly the heartland of liberal scepticism) he received tumultuous applause from a packed Cathedral after a profound and moving lecture last summer. I know lay and ordained men and women who would say that the Christian faith has only been made believable for them by people such as David Jenkins and others who have dared to be truthful about Gospel Truth.

So it is odd that the media presents an image of an academic noddy, a dried up, liberal sceptic, when he is in reality a dynamic and profoundly believing Christian man with a faith that is both generous and contagious.

How can such a mismatch come about? Well, nothing is so much fun as seeing high-minded religious people at each other's throats. But in this case there is a real and profoundly felt disagreement between two kinds of believing.

There is script faith and seed faith. Each views the other with deep (but Christian) hostility and distrust. There are lots of illiberal and fundamentalist clergy and laity who feel the truth of Scripture is betrayed by the kind of faith which makes David Jenkins fizz.

His seed faith is open, questioning and undogmatic. It focuses on the central core of belief. It is willing to suspend judgment on historical authenticity; it treasures myths which fire the imagination. It distrusts static formulae; it asks people to think for themselves, to respond from the heart to whatever speaks to the heart.

It does not seek to control or manipulate. It believes that God is ultimately mysterious.

For Scripture is not script. *It is a* kaleidoscope of historical facts, poetry, metaphor and myth which holds truths at many different levels, but all pointing to the claim that God was at work in Jesus.

For the Bishop's critics, by contrast, faith is a construct of authoritative texts, statements of belief and traditional teachings. It is a complete package. To pick and choose would be to set your own fallible judgment against the Word of God.

If the Bible says the angels burst into song over Bethlehem, then you have to believe that a tape-recorder would have picked up the tune. If it says Jesus converted 120 gallons of water into wine, then Château Lafite it was. Allow one stitch to be unpicked and the whole thing will unravel.

Behind this kind of belief is a longing for certainty and a desire for authority. And it is effective. There is a resonance between a public which longs for security and *an end to doubt*, and powerful and dogmatic personalities who are only too happy to offer it.

It has simplicity, clarity and power. All over the world fundamentalist and conservative religions are making converts. People's lives are being changed. Energies are being channeled in programmes, fatwahs, jehads, crusades and missions. Liberals are demonised, along with the new age, yoga, and socialism.

By its nature script belief is highly sympathetic to right-wing politics and hostile to causes such as equal rights.

By contrast seed belief seems vague, equivocal and woolly. It distrusts the techniques of mass persuasion.

It refuses to offer factitious certainties to the vulnerable and uncertain. To children and the simple-minded it seems hesitant and confusing. And yet for many people who dislike the dogmatism of script belief it offers a way of believing which treasures intellectual integrity and recognises that truth is many-layered.

But given that believers do divide into these two opposing camps, how is it that all the nobs and commentators are so hostile to the Bishop of Durham?

Is our society deeply authoritarian? Do we do not want people to think for themselves?

To my mind it is patronising and offensive to suggest that Christian lay people should not be told the conclusions of 100 years of theological scholarship. It is like saying: Don't tell them the earth is round; they'll all be terrified of falling off.

Many more would be Christians if they did not have to believe in unbelievable accessories, *because* then they could hang on to the simplest and most cogent formula I know: God is. As he is in Jesus. Therefore we have hope.

That is what David Jenkins is saying.

■ *Hugh Dickinson is Dean of Salisbury*

Setting the right tone

Michael Thompson-Noel

Funnily enough, I *like advertisements*. This liking of adverts – peculiar in a journalist – stems from a fondness for advertising itself, and for the men and women, plus those in between, who work in ad agencies. What funsters they are – witty, intelligent and able to conceal, like master magicians, their suspicion, or conviction, that helping to sell dogfood or a twee brand of after-shave is a ridiculous occupation for people of talent.

I used to write about the ad business for the *FT*, and was lucky that my four-year stint (to 1982) coincided with prodigiously gushing ad budgets. Those were the glory days.

I lunched and dined with the chairmen of all the brightest agencies, and enjoyed their company greatly. They were all wealthy men; some were quite eccentric. One of them used to pretend to himself that I was a particularly callow youth. I expect it gave him a buzz. He always ordered my food, and once told the waiter to cut up my steak. If I visited him at his agency he would offer me sweet sherry.

Once, in a restaurant, he decided the time had come to explain the nature of the relationship between agencies and their clients.

HAWKS & HANDSAWS

"What you need to know, Michael, is that in all practical respects, an agency is like a knocking-shop. Just look at an agency's clients: especially the out-of-towners – oinks in shiny suits. (I imagine he meant "oik": he often muddled words.) All year, these oinks make hair-gel or catfood or something else revolting.

"The only glamour in their lives is when they come to London to visit the agency to see what they are getting for these *enormous* sums of money that the agency is charging them. So we show them the house-reel and wine them and dine them and pander to their needs, no matter how basic. Then back they go to the provinces, to their grey little lives, to make some more catfood. We whore for them, you see."

Yes, I still enjoy advertisements. I read one the other day. It has given me an idea. It was in *The New Yorker*, where the ads often outsparkle the stuff that keeps them apart. It was a house-ad for reader services offered by *The New Yorker* itself. "Use our convenient touch-tone phone line," said the ad, "to hear special messages about the quality products and services listed below. Call toll-free from any US touch-tone phone."

One of these products was Tilley Endurables: "'*The best travel and* adventure clothing in the world': classically-styled, long-lasting, comfortable clothes with secret pockets . . . And, of course, the Tilley Hat. The 68-page catalogue is a hoot! For your free copy, please call: 30238."

Other products and services on offer included a sweepstake offering a trip for two to "fascinating Malaysia and surprising Singapore"; holiday news from Remy Martin; and Loro Piana Italian fabrics.

This touch-tone business is clearly intended to help foster closer ties between advertisers and their customers. Perhaps it is an old idea; if so, I haven't noticed it. But I am attracted by its niftiness. As a result, I am setting up a touch-tone phone operation of my own. Examples of services that I plan to test-market:

The John Major Pre-Retirement Programme: "Hello. This is John Major. Like me, perhaps you are anticipating sudden retirement in the not too distant future. If so, you will be cheered to know that there are numerous activities to which the retired person can devote his or her energies. I myself plan to take up train-spotting – if I can find any trains! – and possibly home baking, just to surprise Norma. I have produced a bumper leaflet which explains the full range of activities *available to us once we leave the* world of work. If you would like one, please speak after the tone . . ."

Norman Fowler's Practical Guide to Modern-Day Morality: "Hello. People often ask me how we in the Conservative Party can call, with a straight face, for a return to family values when many of our members, some in government, have mistresses all over the place, and other peccadilloes. I myself believe it important not to pre-judge the issue. To keep an open mind. Yet face things squarely. Not run and hide. If you would like to hear more, please speak after the tone . . ."

Probably I'll make a fortune.

Trevor Humphries

Interview / **Lucy Kellaway**

And finally . . . coffee at the Ritz

Trevor McDonald recalls his early days in Trinidad, his dangerous assignments, and his rise to number one newsreader

There was little danger of missing Trevor McDonald at our appointed meeting place, the Ritz. For the sole anchor on ITN's News At Ten is surely the best known black man in Britain, with the possible exception of Frank Bruno.

And the viewers love him: a recent Gallup Poll showed that the West Indian with the clipped moustache and even more clipped delivery was streets ahead of his nearest newscasting rival.

McDonald has just written a book about his previous life as a reporter: a colourful tale in which he presses the flesh with everyone from Burl Ives to Saddam Hussein; talks to Colonel Gadaffi in his tent; and chats over a snack of iguana in the jungle with Daniel Ortega. On one assignment he has a submachine-gun thrust in his belly; on another, he wins the toss to be the first journalist to interview Nelson Mandela after his 27 years in prison.

In spite of all this, the reason for his fame is his presence in the blue neon ITN 'spaceship' five evenings a week, reading words from an autocue to up to 7m viewers. Does he think so much fame is justified for doing so little?

"It is easy to say 'how silly'. But on the other hand people want to watch someone they feel comfortable with."

To hear him talk about it, the job sounds a piece of cake: "You have to read well, and construct your sentences clearly."

But if it's that easy, why are some newscasters so much more popular than others? "I don't understand it, but I'm glad it's me they like," he says, then adding after a pause for thought: "It's like reading for the Royal Shakespeare Company – you use all the same tricks."

McDonald refers to the English classics with a frequency that is most un-English. Indeed he speaks an archaic language all his own, sprinkling otherwise plain speech with quotes from Tennyson and words such as "interlocutor" and "ineluctable".

He confesses he is beginning to find his own fame a little frightening: "A lady came up to me in the supermarket the other day and told me that a few days before she had seen me cross the road against the lights. Her little girl said: 'That newsman has broken the law. We must stop watching the news if he behaves like that.'"

But far from looking frightened, he seems amused. He appears to be wearing his fame well, liking the attention, yet not letting it turn his head. "You are built up to be greater than you are," he says, modestly.

One of the things that may explain his popularity as a newscaster is that he comes across as a decent bloke. His book is riddled with examples of his sunny view of the human condition.

But despite his optimism, McDonald is not a Good News man. Indeed he regards the campaign by his BBC counterpart, Martyn Lewis for less gloom and doom on the box as puerile. "It is so far off the agenda of what journalism is about, that I get worried. The function of journalists is to tell what is going on. Not to be social engineers."

He argues that the debate stems from a fallacy. "It is a mistake that the media abhors good news. Some of the biggest money we have spent at ITN recently has been on the collapse of the Berlin Wall and the transformation in South Africa. When there is good news we go overboard. I would love more apple pie. More lunches at the Ritz, more champagne for everyone. But life isn't like that."

For McDonald himself, life these days *is* a little like that. As he sits in his perfect business suit politely asking the waiter for fresh orange juice and black coffee you would think he had been born at the Ritz rather than in Trinidad.

McDonald presents his Caribbean childhood as poor but happy, with a beloved father who made shoes to pay for his children's education. "I really adored my father. He was an educator, disciplinarian, friend, counsellor and drinking buddy. He was not formally educated, but he had an extraordinary view of what was necessary to succeed. He always said: whether you are a doctor, a lawyer or a dustman, you have to strive."

The day his father died McDonald was in Moscow. He recalls how strings were pulled by one of Gorbachev's assistants to get him on the next flight home. "My father would have been so proud that his name was uttered in the corridors of power at the Kremlin," he says.

Although he is proud of his roots, McDonald is low key about being West Indian in Britain. He claims he has never been discriminated against – his colour has neither helped nor hindered his rise: "Racism is not as prevalent in the media as on the milkround."

Characteristically, he is upbeat about race relations in Britain. "This is a multi-racial society. Nothing on God's earth will change it. It is ineluctable, irrevocable. People will learn to adjust."

But surely politicians can do something to help the process? McDonald agrees, hinting that the Conservative government is making matters worse. He deplores those politicians "who stand up at party conferences making speeches for cheap laughs in which they say that they understand the fear of communities being swamped". He argues that a simple declaration from the government of its intention to improve race relations would in itself do much good.

I wonder whether he couldn't do a little more himself to help blacks in this country. He looks a bit uncomfortable. "I visit schools a lot."

He pauses and corrects himself: "To be very honest I don't do it a lot, but whenever I can."

The question seems to have hit a sensitive spot: "I could have done more, but have not had the time. With all the travelling, and trying to keep up the pretence of being a father and a husband, it is not always very easy . . ."

As They say in Europe / **James Morgan**

Good fortune brings pain

Once 1994 got under way I felt a sense of relief. After the (largely miserable) mass-contemplation of its advent, the new year eventually arrived, and no new ghastly event had hit the world scene.

So I turned to the French press to see how it received a flood of good news, as well as news of good floods. This was because, apart from meteorological phenomena, there were a number of rather jolly events that normally might have been expected to raise everyone's spirits, even in France.

For one thing, the *FT* had awarded the country's prime minister, Edouard Balladur, the title Man of the Year. All that got, from *Sud-Ouest*, was a sour rebuff: "There is at least one point of agreement between us and our British compatriots." An Alsace daily remarked that although Balladur had become the *"sacré homme de l'année"* it was in a paper which was "hardly francophile".

Another bit of good news was that an 83-year old widow from the Gard, in the deep south, had won a record FFr60m (£6.8m) on the national lottery, the biggest sum in *loto's* history. Enormous interest centred on the family of Marie-Thérèse Barre ("Granny" to the press) which seemed to be distilled from some daft 1950s black comedy of the French screen.

"Granny" herself had retired years ago from her job at the salt pans of Aigues-Mortes. Then there was her son, Jacques, 41, who is enjoying six months paid medical leave from his job as wayside weed remover for the local council. He had hurt his knee playing football. The daughter-in-law, Sylvie, 35, keeps the books of a small family firm. She had been the first to hear the good news and immediately told the dowager Mme Barre to go ahead and buy the wardrobe she wanted. "She also wants a new TV," said Sylvie.

"Granny told me it won't change her life," Sylvie added menacingly. "You can't go shopping in a village of 5,050 inhabitants in a mink and pearl necklace." It was, of course, Jacques and Sylvie who went to Paris to collect the winnings and give the press conference from their suite at the Ritz. "When I find myself here," said Jacques, "I realise that everything has changed. It was my mother who won, but she was tired and asked me to come. I'm sort of the head of the family."

The joy of the media was, to say the least, confined. The Barre's local paper, *L'Indépendant du Midi*, was particularly bitter: "The game [Loto] is only a supplementary tax in disguise into which millions of victims throw themselves, and from among whom the state carefully pulls a few privileged beings. It is certainly necessary to motivate other players, but to win such sums means what? To escape a life that one has fashioned up to now: to move not to a new social level but to a veritable new social planet, to lose old friends and acquaintances, to find oneself confronted by flattery, speculation and crooked threats . . ."

But even a real tale of crookery failed to lift the national mood. The Burgundy wine scandal achieved little more than a few examples of savage *Schadenfreude*. This uplifting tale is based on the iron rule in Burgundy that no wine can be declassified and sold at a bargain price in order to clear stocks.

Current economic conditions make this a powerful temptation. Any Burgundy sold at a knock-down price arouses tremendous interest. This customarily becomes sheer avarice among those who believe they are innocently laying their hands on stolen goods. So it was that 750,000 bottles were sold for FFr25 (£2.85) each on the basis that they were in fact declassified pommard or chablis. The fraud was perpetuated because victims did not complain for fear of exposing themselves as "mugs".

The wine was in fact from Languedoc and Roussillon, and the regional paper, once again *L'Indépendant du Midi*, gloated. Its readers among local wine growers had long been accused of faking claret and now their products had been used in the fabrication of the more prestigious Burgundy crus. "What a fine revenge for the producers of the *Midi*," wrote the paper. "*After* all, one lends only to the rich."

This opaque statement reflects a typical regional attitude vis-a-vis those who dwell in other, more privileged, regions. "Lending" their inferior wines to those others, and trying to swindle the rest of the country, gives greater pleasure than a windfall of FFr60m.

The duc de la Rochefoucauld noted 300 years ago in his famous *Maxims* that the misfortune of others, even friends, gives us a certain pleasure. *L'Indépendant* proves that, and the reverse: their good fortune can cause us some pain.

■ *James Morgan is economics correspondent of the BBC World Service.*